

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

RUSSELL LUCIUS LAFFITTE,

Defendant.

) Docket No. 9:22-658

) Charleston, SC

) Volume IV

) DATE: November 14, 2022

BEFORE THE HONORABLE RICHARD M. GERGEL
UNITED STATES DISTRICT JUDGE, PRESIDING
JURY TRIAL

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20
21
22
23
24
25

INDEX

EXAMINATION

Witness Name	Page
ALANIA PLYLER SPOHN	
BY MR. HOLLIDAY	783
BY MR. AUSTIN	812
HANNAH PLYLER	
BY MR. HOLLIDAY	821
BY MR. AUSTIN	831
CYNDRA SWINSON	
BY MS. STOUGHTON	834
BY MR. DANIEL	908
BY MS. STOUGHTON	922
HENRY SPANN LAFFITTE JR.	
BY MS. STOUGHTON	924
BY MR. AUSTIN	939
BY MS. STOUGHTON	967
HENRY LUCIUS LAFFITTE JR.	
BY MS. LIMEHOUSE	971
BY MR. AUSTIN	980
BY MS. LIMEHOUSE	1018

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

EXAMINATION

Witness Name	Page
BECKY LAFFITTE	
BY MR. HOLLIDAY	1022
BY MR. DANIEL	1053
BY MR. HOLLIDAY	1082

EXHIBITS

Exhibit	Page
Defendant's Exh. 82	989

1 THE COURT: Counsel approach, please.

2 (Whereupon, a bench conference takes place off the
3 record.)

4 THE COURT: Good morning, everyone. Couple of
5 things. Number one, I don't intend to question my jurors.
6 I'm going to remind them of their duty, but we are not going
7 into that. Second, I told y'all Friday that we were going to
8 be off Thursday. Apparently, as a happy coincidence, one of
9 the jurors has a funeral that she needs to attend. And I
10 will let them know today that we are not doing Thursday.

11 I am not there yet, but I may be open to having a
12 Saturday trial, continue on Saturday. We will just see where
13 we are. I don't want to do it, but we are getting close to
14 Thanksgiving. And we've just got to keep this thing moving.
15 It's a bureaucratic -- it's a little bureaucratic. You can't
16 do it because I have to make arraignments for GSA and with
17 the marshals. But we are not there yet, but by Wednesday I
18 will make a decision on that. But I need to alert y'all
19 because you will be in your case, Bart, and I want you to get
20 through your witnesses. Anything else y'all need to address
21 with me?

22 MR. AUSTIN: We may need one witness to testify via
23 Zoom because of a death in the family.

24 MS. LIMEHOUSE: Is this the witness who hasn't been
25 sequestered?

1 MR. AUSTIN: Right.

2 THE COURT: What's the nature of the testimony?

3 MR. AUSTIN: It's very favorable to Mr. Laffitte.

4 THE COURT: I don't care about that. What's the
5 nature of it?

6 MR. AUSTIN: This is a lady, Ms. Drawdy, and she's
7 the loan officer, head of the loan department, and was
8 intimately involved in all of these transactions.

9 THE COURT: Why wasn't she sequestered?

10 MR. AUSTIN: We were going to start our meeting with
11 her, with her attorney. She found out her cousin committed
12 suicide. So we, obviously, didn't move forward with the
13 interview. And we thought she would just be unavailable.
14 But we've spoken with her. She's in Tennessee helping with
15 her family and doing all sorts of logistical things with
16 them.

17 MR. DANIEL: She's the most critical witness.

18 THE COURT: Why hadn't you named her earlier?

19 MR. AUSTIN: No, we named her, but we sort of
20 thought we just weren't going to be able to do it. And we
21 think if there's ability to do it, the Government can cross
22 her on what --

23 THE COURT: I am not crazy about remote. What's
24 your thought about that?

25 MS. LIMEHOUSE: My understanding from speaking to

1 this witness's attorney is that she's been following all of
2 the news coverage of this trial.

3 MR. AUSTIN: That's not what he said to me exactly.
4 So I'm going --

5 THE COURT: With that, that's one issue, which is
6 the sequestration. I'm worried about not having the jury
7 have her present.

8 MS. LIMEHOUSE: I don't like Zoom, of course, but --

9 THE COURT: The rule is pretty clear that you are
10 not supposed to do remote unless there are extraordinary
11 circumstances. And I don't know. You would have to show me
12 that she can't physically get back here.

13 MR. AUSTIN: Oh, yeah, I think I can -- so, she's in
14 a town called South Fulton, Kentucky. I can do it later if
15 you would like.

16 THE COURT: Let me just say, she can get here unless
17 you are telling me that the roads have collapsed and the
18 mountains have gotten higher and all that. She can get here.
19 What's the problem?

20 MR. AUSTIN: She's about three hours from the
21 nearest airport and her car has broken down. She just got a
22 new airbag piece in her car. That's what she's telling me.

23 THE COURT: We could get her here. We can get her a
24 driver. I've had these problems. You know, as a lawyer, you
25 just get around them. The whole sequestration thing is

1 another issue, is how did you not sequester her and what did
2 she learn that she would not have otherwise known?

3 MR. DANIEL: Judge, everybody -- she works for
4 banks. Everybody at the bank has been following all these
5 things --

6 THE COURT: For years.

7 MR. DANIEL: -- for years.

8 MS. LIMEHOUSE: We have been very clear with these
9 bank employees' counsel numerous times that they are not to
10 read or watch any of the news coverage on this case. And Ms.
11 Drawdy was not sequestered. And my understanding speaking
12 with that same attorney is that she has been reading
13 everything, all the coverage. And when a request of what
14 specifically have you read, her response was, well, anything
15 that comes up on my phone about it I've been reading. So I
16 think --

17 THE COURT: Let me say this. I'm going to -- I will
18 address that issue when she's here. And I will hear from the
19 Government at that time. But I am not going to agree, unless
20 you can show me that she's laying in a hospital room with an
21 IV in her, near death --

22 MR. AUSTIN: We would prefer her to be here.

23 THE COURT: I'm sure you would. And I'm going to
24 make it easy for you because I'm going to make her be here.
25 Okay. Very good.

1 MR. AUSTIN: Thanks, Judge.

2 (Whereupon, the bench conference ends.)

3 THE COURT: Any other matters that we need to bring
4 before the Court before I bring the jury in?

5 MS. LIMEHOUSE: Nothing from the Government, Your
6 Honor.

7 THE COURT: Anything from the defense? Silence I
8 take it as no. Okay. Bring in the jury.

9 (Whereupon, the jury returns to open court at 9:14
10 a.m.)

11 THE COURT: Let me start off by saying good morning.
12 You look a lot more rested than you did at the end of the day
13 on Thursday. For people who aren't in this business don't
14 realize how hard it is to concentrate for hours on end. And
15 y'all are just doing a magnificent job. So I want to thank
16 each of you individually for what you are doing, paying such
17 close attention.

18 Let me address a couple of matters. I will be -- I
19 have another matter I need to address on Thursday. And I
20 understand one of my jurors has a problem as well. But we
21 will not be holding court on Thursday. So we will end on
22 Wednesday and come back on Friday. So I want everyone to
23 know that.

24 Secondly, I want to remind everyone to avoid all
25 media coverage, all Internet, all social media, all the -- I

1 know you've assured me you are going to do that. And I want
2 you to stay on that. We need to make this decision on what's
3 in this courtroom and nothing else. And it's very important
4 for a fair trial for everyone.

5 Okay. Mr. Holliday, call your next witness.

6 MR. HOLLIDAY: Your Honor, thank you. The
7 Government calls Alania Plyler Spohn.

8 THE COURT DEPUTY: Please state your full name.

9 THE WITNESS: Alania Spohn.

10 ALANIA PLYLER SPOHN,
11 having been duly sworn, testifies as follows:

12 DIRECT EXAMINATION

13 BY MR. HOLLIDAY:

14 Q. All right. Alania, good morning.

15 A. Good morning.

16 Q. Do you know the defendant in this case, Russell
17 Laffitte?

18 A. Yes, I do.

19 Q. And how do you know him?

20 A. He was appointed my conservator from the car
21 accident I was involved in in 2005.

22 Q. I know, because we've met a couple of times, you are
23 soft-spoken. The jury is very interested in what you have to
24 say. Get close enough to the mic.

25 A. Yes.

1 Q. And you indicated that the defendant was your
2 conservator. And you were young at the time, but what was
3 your understanding of what a conservator is supposed to do
4 for you?

5 A. My understanding was that he would -- the money that
6 I received from the lawsuit would go and basically be put in
7 his trust, if you will, and the money would sit there until I
8 turned 18, and then it would be given back to me.

9 Q. How old were you when you first met him?

10 A. I was around 15, I believe.

11 Q. And then I think you just referenced back, but this
12 is an important point. How old were you when he stopped
13 being your conservator?

14 A. I was 18.

15 Q. And as I mentioned just a second ago, you and I have
16 had a chance to sit down a couple of times before this to go
17 over basically your account of everything that happened
18 involving this case; is that right?

19 A. Correct.

20 Q. And so today we are just going to talk about that
21 for the benefit of the jury as well. Okay. First subject
22 though I know is difficult for you. So I want to go back now
23 to the events that led to your initial dealings with the
24 defendant. Okay? You were in a very bad car accident with a
25 member of your -- members of your family; is that correct?

1 A. Correct.

2 Q. And when did that accident take place?

3 A. July 16th, 2005.

4 Q. And how old were you at the time?

5 A. I was 12.

6 Q. And who else was in the car with you?

7 A. My mother was driving. My at-the-time-14-year-old
8 brother, and at the time my 8-year-old sister.

9 Q. Would you tell the jury, please, where everyone was
10 sitting in the car?

11 A. So, like I said, my mother was driving and my
12 brother was in the passenger seat. I was sitting directly
13 behind my brother. And my sister was sitting behind my mom.

14 Q. Now, there's a little bit of a story as to why your
15 brother Justin was in the front passenger seat and you were
16 behind him. Tell the jury about that.

17 A. Yeah. So I was about to turn 13, so I thought that
18 was a big deal, becoming a teenager. And I was at the age
19 where my mom was starting to allow me to sit in the front
20 seat. My mom got off of work -- July 16th would have been a
21 Friday. She got off of work. And I was determined to sit in
22 the front seat, passenger seat, coming up to Columbia. And
23 so my brother and I, we got into an argument that afternoon
24 about who was going to sit in the passenger seat. And,
25 ultimately, my mother, she told us, she said my brother could

1 sit in the passenger seat on the way to Columbia, and when we
2 come back from Columbia, I could sit in the front. So that
3 was the -- that was the agreement that we had.

4 Q. You mentioned a little bit already that you were
5 traveling to Columbia. Where were you traveling from?

6 A. Hardeeville, South Carolina.

7 Q. And why were your mom and the three of you living
8 down there and traveling up there?

9 A. So just 12 days prior to the accident, that would
10 have been July 4th, 2005, my mother had finally made the
11 decision to leave my father, who was abusive and an
12 alcoholic. And so as I said, July 4th, she made the decision
13 to finally move. And so we moved to Hardeeville. And so
14 that's how we ended up in the lower part of the state.

15 Q. Okay. And why was it that on July the 16th you were
16 traveling back to Columbia?

17 A. My mom had a weekend gig. Well, actually we all
18 did, a weekend gig just to make extra money through The State
19 newspaper. She had newspaper routes that she would set up.
20 And we would go on the corners of the streets and we would
21 sell newspapers. And we were going to do it one more time
22 the weekend of July 16th. So we were going down there to
23 make a little bit of extra money. And also my dad wanted a
24 TV returned to him. So we had that in the vehicle as well.

25 Q. So, so far we've just been saying "vehicle." What

1 kind of vehicle were you in?

2 A. It was a green Ford Explorer.

3 Q. Obviously, the jury knows there was an accident.

4 What was happening right before the accident happened?

5 A. Right before the accident, we were on I-95. My
6 brother and my sister were sleeping. Obviously, mom was
7 driving. And I was listening to a CD player. I had my own
8 little CD player and had the headphones in. And I remember
9 Mom, it was low enough just so I could hear Mom, and she
10 said -- they always called me Lanie, that was my nickname.
11 So she said, Lanie, are you awake? And I remember pulling
12 them down and saying, yeah, Mom, I'm awake. And it was just
13 within moments then we ended up hearing a very loud pop, like
14 a -- almost like a gunfire shot. And that was when the tire
15 exploded.

16 Q. Okay. So I know you are 12, you are riding in a
17 car. At that age, tough to remember anything, but what do
18 you remember once the tire failed?

19 A. Yeah, actually, I remember it very well. Once I
20 heard the tire pop, I remember hearing my mom screaming. We
21 immediately went into the trees that were on the right side
22 of the interstate. And I remember hearing and hitting
23 several of the trees as we went through the brush. And I
24 remember one final tree we hit where we -- all of the impact
25 hit this one particular tree and stopped the vehicle

1 completely.

2 Q. So when everything stops and you are able to kind of
3 get your bearings and all, what's the situation at that
4 point?

5 A. I remember it was very quiet. I heard just some
6 limbs breaking. And I remember seeing smoke and the smell of
7 pine and blood. And then I remember looking to my left and I
8 saw my sister and she was moving. And she was -- you could
9 tell she was in a state of shock as well. And I remember
10 looking out the right side window and the CD that I was
11 listening to, it was an Usher CD, it was spinning on a tree
12 limb. I guess somehow the CD I was listening to made its way
13 onto a branch. And I remember my mom and my brother were
14 both lifeless.

15 Q. And I'm going to lead just a second just so we --
16 your brother's seatback had failed; is that right?

17 A. Correct.

18 Q. And he's basically --

19 A. He was in my lap, yes.

20 Q. And he suffered a catastrophic head injury; is that
21 right?

22 A. Correct.

23 Q. What happened next? Did Hannah go try to get some
24 help?

25 A. So, after I realized that this was really bad, Mom

1 wasn't responding. My brother wasn't responding. And as we
2 just spoke about, my brother's seat from the impact came
3 completely down in my lap, to where his upper body was
4 basically in my lap. I couldn't get out of the vehicle. I
5 couldn't push him up, because when I did push him up, I
6 remember my arm twisting the opposite way. And I knew this
7 was bad. So I told Hannah to climb out the back of the car
8 because she couldn't get out from her door. I remember
9 instructing her to climb through the backseat and get out of
10 the back hatch and climb up to the hill to go get help
11 because I was afraid no one had saw us.

12 Q. Okay. And was she successful?

13 A. She was.

14 Q. And there were -- I think you told me before, there
15 were already people at the scene that were coming down?

16 A. Yeah, yeah.

17 Q. So what happened at that point, Alania?

18 A. At that point, I remember it felt like an eternity,
19 but I'm sure it was fairly quick the amount of people that
20 came to try to help. I remember there were samaritans that
21 pulled off on the side of the road trying to come down there
22 and help us. And they realized that it was a pretty bad
23 scene. And they kept talking to me from afar asking if I was
24 okay, make sure I was still alive. But it took a really long
25 time, it felt like, to get me out of the vehicle. I remember

1 the fire department had to use Jaws of Life to basically cut
2 up the vehicle to get me out. And I was the last one to get
3 out.

4 I remember seeing my mom and my brother Justin.
5 They had took them out of the vehicle while I was still in
6 the vehicle. And I remember looking out at the left side of
7 the vehicle, and there was two body bags there. And that's
8 when it had became really real that they weren't going to be
9 okay and that they were gone. So I watched them load my
10 14-year-old brother and my mom into the body bags. And when
11 they finally got me out of the vehicle, I remember them
12 loading me up and putting me into the helicopter. And I was
13 airlifted to Savannah Hospital.

14 Q. You were in the ICU for a while?

15 A. I was, correct.

16 Q. You mentioned just a second ago your shoulder, that
17 you had some trouble with moving it. So what happened to
18 your shoulder? How did that happen?

19 A. So during the impact of the vehicle, and everything
20 going on inside, the TV was on my left side between my sister
21 and I. And the way that the vehicle had turned, the TV
22 landed on my shoulder. It was one of those older TVs, not
23 like your flat screen. It was the old-fashioned, box style,
24 heavy TVs. And when it -- just the way the vehicle was
25 maneuvering in the accident, it landed on my left shoulder,

1 crushing it.

2 Q. And just to remind the jury, you are a 12-year-old
3 at the time; is that right?

4 A. Yes, yes.

5 Q. And Hannah was eight?

6 A. Correct.

7 Q. How long were you in the ICU?

8 A. Around two weeks. That was just for the ICU part.

9 Q. Right. And your shoulder wasn't your only other
10 injury. Tell me about what else was --

11 A. No, I ended up -- so I crushed my left shoulder.
12 And I -- they call it -- they told me I blew my left knee
13 out, which I tore every ligament that holds the knee
14 together. They described it like a rubberband. And they
15 said it was completely ripped apart. So my ACL, my PCL, and
16 I think there was a couple of others. I just don't remember
17 the names. And so I blew my knee out and I broke my right
18 femur in two different places. And then I had some minor
19 injuries to my pelvic bone.

20 Q. And by my math, this is over 17 years ago that this
21 happened, right?

22 A. Correct.

23 Q. Are you still dealing with the after affects of some
24 of the injuries to your shoulder, to your knee?

25 A. I do. I do. The older I get, the worse it's

1 getting too, but definitely feeling it.

2 Q. So after the accident, and after you got out of the
3 ICU and then the hospital after that, where did you go live?

4 A. It took -- during my entire hospital stay, I was
5 going back and forth between my -- to go stay with my father,
6 who was living with his parents, or to live with my uncle.
7 But, ultimately, I decided to go live with my dad and my
8 grandparents.

9 Q. Did you decide that or did somebody decide it for
10 you?

11 A. I had to decide that.

12 Q. Why was it that you were bouncing around between
13 relatives a little bit?

14 A. Like I said earlier, my dad, he was a raging
15 alcoholic. He suffered from that for many years. And I was
16 told it was kind of in his family blood line as well. And
17 when my dad would drink, which was an everyday occurrence, he
18 would get really violent. And he was really violent towards
19 my mom and even to us growing up. So I knew that that was a
20 factor going to go live with dad, because I didn't have mom
21 anymore, and she was always our defense. She didn't let
22 anybody mess with her babies. So it was scary knowing that I
23 had to go live with him without my mama.

24 Q. Was Hannah with you the whole time or did you all
25 sometimes get separated?

1 A. As far as living?

2 Q. Yeah.

3 A. We would get separated occasionally, but for the
4 most part, where I went she went.

5 Q. Okay. Now, at some point there was a lawsuit about
6 the accident and all of this; is that right?

7 A. Correct.

8 Q. Who was your first lawyer?

9 A. My first lawyer was Arnold Beacham.

10 Q. How was it that Arnold Beacham came into your life?

11 A. So, my dad worked at Walmart in the sporting goods
12 department. And as I have said numerous times, he was an
13 alcoholic and he had numerous DUIs. And Arnold Beacham at
14 one time was the prosecutor for one of my dads's -- or maybe
15 several, but I know at least one of my father's DUIs. And,
16 apparently, just -- my dad -- when he wasn't drinking, he
17 could be a really good guy. And I assume at the -- my dad
18 thanked him for helping getting him on the right path, is
19 what my dad made it out to be, but my dad never got on the
20 right path. He just wanted the prosecution and everyone to
21 think that he had quit drinking. And he promised he wouldn't
22 have another DUI, but there were more DUIs to follow.

23 But anyway, when my dad was working at Walmart one
24 day, Arnold Beacham came in and saw him and my dad remembered
25 him. And Arnold had explained to my dad that he was no

1 longer in the prosecution side of the law, that he had become
2 a defense attorney. He had opened up his own attorney
3 practice and that he was -- so he was just doing
4 advertisement. Gave my dad a card and said if he ever needed
5 him to give him a call. And sure enough, he needed him one
6 day.

7 Q. So he becomes the first lawyer that you and your
8 sister have, correct?

9 A. Correct.

10 Q. At some point, Arnold Beacham realizes he's in a
11 little over his head with this lawsuit?

12 A. Yes.

13 Q. So did he find another lawyer?

14 A. So, as you said, Arnold realized this was going to
15 be a much bigger case than what he was familiar with and what
16 he was used to dealing with, so he had gotten advice about
17 the Murdaughs in Hampton were, like, bulldogs. And he
18 brought them on, onto the case. And that's how Alex Murdaugh
19 became a part of the -- our case.

20 Q. Okay. And we are not going to go through all of the
21 back-and-forth on the lawsuit. But, ultimately, it settled;
22 is that right?

23 A. Correct.

24 Q. And I have that it settled in 2009, so about four
25 years after the accident?

1 A. Correct.

2 Q. Okay. After that settlement, did you deal with Alex
3 Murdaugh anymore?

4 A. After the settlement, no, sir.

5 Q. And were you told how much money you were going to
6 receive?

7 A. I was never told how much. I was only told that it
8 was enough where I would never have to work a day in my life,
9 is what I was always told.

10 Q. And so I think when it settled, you were around 16.
11 What does that mean to you that you never have to work?

12 A. That I never had to work. I viewed it as a
13 bottomless pit, if you will. I thought that I could go and
14 buy all the cars that I wanted and I could have the nicest
15 house and it was never going to run out.

16 Q. At the very beginning of your questioning, I asked
17 if you knew the defendant Russell Laffitte. Do you remember
18 meeting him?

19 A. There was so much conversation between the two of us
20 by phone and text. I can't recall first time I met him in
21 person.

22 Q. And, again, your understanding of what he would be
23 doing for you now that the lawsuit was over, Murdaugh was
24 done, was what?

25 A. Correct. So at this point, I was just told if I

1 needed anything, that my funds were sitting in an account
2 with him watching it, basically. Because I was put under the
3 impression that there was really no one in my family that
4 could trust with that amount of money. And I could agree
5 with that. It was a lot of money. So he would just be there
6 to -- if I needed something, I would contact him, and he
7 would send the funds over and I could do what I needed to
8 with the money.

9 Q. And certainly by this point, as you've explained
10 several times, your relationship with your father, not the
11 best?

12 A. Correct.

13 Q. He's not somebody that they wanted in charge of
14 millions of dollars that would ultimately be flowing to you
15 when you turned 18?

16 A. Correct.

17 Q. So I want to talk a little bit about your finances.
18 I know you didn't know how much money was there, but it was,
19 never-have-to-work-again money. You were living with
20 different family members; is that right?

21 A. Correct. So my sister and I, we received my mom's
22 Social Security check every month, but it was for the people
23 who took care of us, basically. So that's what I was told.
24 And I believe that's correct. So at first I lived with my
25 grandparents. So they were receiving. It was around a

1 little over \$500 a month. And they were receiving two of
2 them, so about \$1,000 a month. I lived with my grandparents
3 the longest. And then I was 16 when my grandmother died.
4 And when she died, that's when we really got tossed around
5 from family member to family member, different aunts I could
6 live with.

7 There were times where I was living in my car just
8 because there was really no room for us with my family. And
9 so really, whoever needed the thousand dollars that month the
10 most was where my sister and I ended up living.

11 Q. What were the kinds of things that you had to buy
12 for yourself?

13 A. We would have to request money for school supplies,
14 school clothes. When I was old enough to drive, I had to
15 get -- requests, like, gas money and food. I would get a
16 weekly allowance of \$100. And that does sound like a lot of
17 money for a 16-year-old, but I was using that money for
18 school lunch, a lot of times for dinner. Sometimes I had to
19 loan my family members money. But I knew I wouldn't get it
20 back, but we kind of just did what we had to do to survive
21 and have a place to live. So if they needed \$40, I was put
22 in a position that I had to give them \$40 of my weekly
23 allowance so we had a place to live.

24 Q. A lot of things that kids normally -- their parents
25 buy or grandparents buy, you were having to buy for yourself

1 out of the conservatorship, correct?

2 A. Correct, yeah.

3 Q. You and your sister had both described at various
4 points the defendant as a father figure to you. When you say
5 that, what does that mean to you?

6 A. When I mentioned Russell being like a father figure
7 to me, it's more so on the logistics line. I wouldn't call
8 Russell and tell him how bad of a week it's been, but if I
9 needed money for -- if I needed money for school or for lunch
10 money the following week, I would call him. But it was never
11 on an emotional basis. And the bar wasn't set too high,
12 being that I didn't have a very good father to begin with.
13 He has since passed away. So he's at peace now. But he had
14 a rough -- my dad had a rough life. And I don't think he
15 ever really knew how to love his children. So it was kind of
16 nice to be able to call Russell and tell Russell that I need
17 money. I was in, like, Color Guard and Winter Guard in high
18 school. And when I went to try out and I made it, I was kind
19 of nervous because I was afraid I wasn't going to have a way
20 to get to school or to practices or even to pay for it. But
21 it didn't cross my mind to call my dad, but I knew I needed
22 to call Russell because I had money in an account. So as a
23 father figure, that's more so along the lines that I go by,
24 is I would call Russell for financial things.

25 So like I said, I would immediately call Russell if

1 I needed money for, like, band boosters or Color Guard fees
2 versus going to my dad telling him, hey, Dad, I need money
3 for this. Because any time we asked family members for
4 money, we get a funny look, because everyone viewed us as a
5 paycheck.

6 Q. At this point you are living up in the Columbia
7 area; is that right?

8 A. Correct.

9 Q. And, of course, he's down in Hampton County?

10 A. Correct.

11 Q. How often would you see each other face-to-face?

12 A. I could probably count on one hand the amount of
13 times that I saw Russell in person. In the three to four
14 years that he was my conservator, it wasn't often at all.

15 Q. So how would you get in touch with him?

16 A. By phone. I would either text him or call him and
17 occasionally e-mail him.

18 Q. You mentioned your allowance. It was \$100 a week;
19 is that correct?

20 A. Correct.

21 Q. Did that fluctuate at all or was it basically \$100
22 for the two to three years that he was your conservator?

23 A. I didn't get the allowance -- at the time that
24 Russell became my conservator, I believe that it eventually
25 came. I want to say that he had informed us that the judge

1 approved an allowance, a weekly allowance, just because we
2 were going to him so much about needing money. It wasn't
3 very much at times. I mean, asked for \$40 one week or 100
4 the next week. So he had advised that the judge approved for
5 me a \$100. It was either 100 or 150 a week. So that was
6 eventually set up. So that wasn't during the entire time of
7 the conservatorship.

8 Q. So I want to touch on something you mentioned a
9 minute ago. Occasionally there were bigger expenses, like
10 when you made Color Guard, other school activities that
11 require bigger checks and all. Was there a procedure you
12 were supposed to go to in getting that additional money
13 beyond your allowance as communicated to you by the
14 defendant?

15 A. Yes. I knew Russell at times can be kind of
16 difficult to get ahold of, because I understood at that young
17 age that his world didn't revolve around me. So as soon as I
18 knew that I needed money for, like, a school expense, I
19 immediately notified Russell, whether it was leaving a
20 message on voicemail or I would text him that I needed it,
21 just so he knew that, he was aware of the situation. And
22 Russell eventually would get back with me. And he would make
23 it very clear that he would need receipts. And there were
24 times where it wasn't standard practice to receive a receipt
25 for certain things that I would ask for, kind of like --

1 like, uniforms and things that, typically, students would
2 have that directly taken out of their parent's accounts. But
3 there was times where I had to have the teacher just actually
4 write a note or kind of have one of those very bland
5 receipts, just for them to fill in that, yes, she paid this
6 amount of money for her band costume, or whatever it may have
7 been. But it was very clear that Russell needed the receipts
8 for anything that we had bought.

9 Q. So he was tracking very closely your expenses, what
10 you needed to pay for, and in fact, had you -- whether or not
11 you would actually pay that money?

12 A. Correct.

13 Q. Any extravagances that you can recall?

14 A. I bought a car and a house. I think those are
15 pretty extravagant.

16 Q. Let's talk about your car a little bit. About how
17 old were you when it came time you wanted a car?

18 A. I would have been 16.

19 Q. Okay. And why did you need a car?

20 A. I needed a car to get back and forth to school,
21 especially staying after school, joining the Color Guard and
22 Winter Guard in high school. I was running out of options
23 because friends would take me home so many times that there
24 were also times where they couldn't. And I didn't want to
25 quit because that was really the only thing that I loved at

1 the time. I had a lot of doctor appointments that I needed
2 to get to as well. And I kind of ended up being a taxi
3 driver for a lot of my family members because most of them
4 didn't have their license as well. So even to take -- my
5 grandmother had a license, but she was terrified to drive.
6 So I would take her to the store. And I was kind of used for
7 a lot of different reasons.

8 Q. So what kind of car did you end up getting and where
9 did you get it from?

10 A. I ended up getting a 2008 Nissan Maxima. And I was
11 told by Russell that it was -- obviously, using my fund, my
12 money, he purchased it through an auction. And so I knew
13 that the vehicle had come from Florida, but the vehicle was
14 ultimately -- that's what I was told, was at an auction.

15 Q. Okay. And then tell me how old you were when you
16 bought your house?

17 A. I was 17 when I bought a house.

18 Q. Okay. Not many people bought a house when they were
19 17. Why was it that you bought a house that young?

20 A. I bought a house at 17 because I was starting to
21 realize that my normal life was not normal. Like I said, all
22 of this being unstable started right after mom died. So from
23 12 to 17 years old, I moved from house to house. We were
24 living at a -- my sister and I, we were living out of bags.
25 It wasn't because we were bad children at all. It was just

1 because we were never close to my father's family. So there
2 was never a relationship built with them to begin with. We
3 never saw them before my mom died. Then all of a sudden, we
4 are living with these, really, strangers for years. And so
5 we were sharing bedrooms with their children or living --
6 sleeping on couches. So it wasn't our behavior, by no means.
7 It was just whenever the family needed money, that's who took
8 us in, like I said earlier.

9 And at one point everyone -- it seemed like the
10 stays were getting a lot shorter to the point where I was
11 living in my car. And when I didn't have a place to live and
12 Hannah didn't have a place to live, dad, for the most part,
13 would always let us come, especially Hannah. But for me
14 being older -- my dad always told me I reminded him of my
15 mom. So he and I just never had good relationships at all.
16 And I think a lot of it has to do because I reminded him of
17 my mom. And when I saw something not right, I told him about
18 it. And so around 17, I ended up buying a house because I
19 was living in my car. Not many people knew that. I don't
20 even think Russell knew that I was living in my car. But I
21 told him my living arrangements are terrible and I really
22 need -- I need something to happen. And that's when he told
23 me that we could start looking into buying a house as long as
24 the judge approved of it.

25 Q. So he was actually fairly involved in the decision

1 of which house you bought; is that right?

2 A. Yeah, he was. I was wanting to stay in the area, in
3 the Midlands.

4 Q. You were living in Irmo; is that right?

5 A. At the time, it was Lexington County that I was
6 living. But I ended up buying a house in Irmo, which is 10
7 minutes from Lexington. So it's the Midlands area. So I was
8 on, like, Zillow and just looking at houses and fairly cheap.
9 I just really needed a house with four walls and a ceiling.
10 I don't think that I was expecting a whole a lot. I don't
11 believe that -- I mean, I wasn't wanting a huge mansion. I
12 just needed somewhere safe.

13 So I would send Russell some houses that I was
14 interested in. And he would -- we looked at a few of them in
15 person, but a lot of them he denied. I remember one specific
16 one that I loved. But he said the kitchen was too small. So
17 that was a no. And then he actually found the house that I
18 ended up buying. At that point I probably could have hated
19 it, but it was a place to call home. So I was onBoard with
20 getting it. And I didn't hate it, but I'm just saying, I
21 could have and it wouldn't have mattered. It gave me a place
22 to live. And I knew I was safe from my dad. So the house
23 that he sent me and we actually went and walked through it,
24 that was the house that I ended up buying.

25 Q. So now we've talked about a few different areas. We

1 talked about expenses that were larger than normal, he would
2 require receipts, put everything in writing, very
3 detail-oriented; is that correct?

4 A. Correct.

5 Q. When it came time for you to have a car, he was
6 engaged in that activity? He found you a used car at an
7 auction? Is that right also?

8 A. Correct.

9 Q. And when it came time for you to buy a house, he was
10 also very much engaged in the details of the house that you
11 bought, to the extent the kitchen is too small on this one or
12 whatever. Ultimately --

13 A. Ultimately, it was his decision.

14 Q. So, basically, you were living by yourself at 17 in
15 a house, getting yourself from place to place; is that
16 correct?

17 A. Correct. Eventually, Hannah came and lived with me,
18 very quickly, but she came in the picture very quickly.

19 Q. Okay. Were you ever aware of how much money he made
20 in conservator fees for managing your money for those two
21 years?

22 A. No. I did not find out the amount he made until
23 last year.

24 Q. And what was that amount?

25 A. I believe it was somewhere around 150,000, was

1 upfront. And then I believe that he also earned a percentage
2 every year after that.

3 Q. Okay. And then were you aware of loans he was
4 taking out of your sister's account?

5 A. No.

6 Q. Were you aware of loans he was giving your former
7 lawyer, Alex Murdaugh, from your sister's account?

8 A. No.

9 Q. Do you know who Arthur Badger was or is, actually?
10 Well, let me say, at the time did you know who Arthur Badger
11 was?

12 A. No, I didn't.

13 Q. Did you know who Hakeem Pinckney was?

14 A. No.

15 Q. Do you know who Natasha Thomas is?

16 A. No.

17 Q. What happened when you turned 18, as far as your
18 conservatorship and your relationship with the defendant?

19 A. When I turned 18 -- it was on my birthday. I spent
20 my 18th birthday driving to Hampton County. And I met with
21 Russell at the bank in his office. And there was a stack of
22 notebooks, binders. And it was a very quick meeting. I
23 anticipated it to last all day, but it was -- I remember
24 thinking the drive took longer than the actual meeting. He
25 basically handed over the binders and advised that that was

1 all the documentation from the lawsuit and everything. And I
2 remember him saying I probably never will need it, but if I
3 do, it's here. And it was an overwhelming amount of
4 paperwork. I remember opening, like, the top binder and I
5 went through like four pages. And it was just -- it was
6 overwhelming. So I never looked into it.

7 But I remember in the meeting he told me that he was
8 going to end up wiring the cash that I had in the bank and
9 what was left in the bank and that that would be wired to me.
10 So it was in the week that I think it was two wires were made
11 into my bank account.

12 Q. How much money was that?

13 A. It was around, I want to say, \$620,000.

14 Q. And I want you to give the jury an idea of, when we
15 talk about him asking for receipts, being very involved in
16 the financial aspects of your life, when he passes you these
17 binders and all, are we talking substantial binders, box full
18 of stuff, you look through four pages and said, that's enough
19 for me? Was it a lot of stuff?

20 A. Oh, it was a lot of paperwork, yes.

21 Q. So he had meticulously documented all the --

22 A. Yeah. And I remember thinking when Russell had
23 mentioned that all the paperwork was there, that I would
24 probably never, ever need it, but if I did, if I ever wanted
25 to look through it, it was all there. And I remember

1 thinking, well, this guy documented it and was very organized
2 so much, I probably would never need it. So I never felt the
3 need to go through it with a fine comb, because I remember
4 thinking if he had all of that documentation and -- like I
5 said, it was very well organized, I think everything would
6 have been okay.

7 Q. Since that day when he just passed you all your
8 financial stuff, how often do you hear from him?

9 A. I didn't hear from him often at all. There would
10 be -- I am not really sure why, but the only time Russell
11 would reach out to me after I turned 18 was to get, like,
12 Hannah's -- to ask if Hannah had a new phone number or where
13 Hannah was living, what was her address. But we hardly ever
14 talked after I was 18.

15 Q. As far as that, the binders, the box of binders that
16 he passed across to you, did something happen to those?

17 A. Yeah. So in 2016, May 2016, on Mother's Day, I lost
18 my house to a fire. And it was a total loss. And I remember
19 everyone telling me that, you know, this is what insurance is
20 for, this is what insurance is for, because, like I said, it
21 was 100 percent loss. I was a single parent. I have got a
22 set of twins, a boy and a girl, which I don't think is a
23 coincidence. But like I said, single mom to two babies, they
24 were two years old, almost two. I lost everything to a house
25 fire and to soon realize that my homeowner's insurance didn't

1 cover any content. It only covered the mortgage. And so my
2 children and I had to start from ground zero. But one of the
3 biggest things that I remember I needed was all those papers,
4 because that was -- a lot of my money was put into an
5 annuity. So if I ever needed or if I had any questions about
6 my annuity, all the paperwork was in those binders that
7 Russell gave me years ago. And I lost them in the house fire
8 in 2016.

9 Q. So did you ask him for replacements?

10 A. Oh, I did. It was only a couple of weeks after the
11 fire, because I had already lost everything else. I remember
12 thinking if something happened to my annuity, like, I'm in a
13 lot of trouble. And so, yeah, I requested the documents
14 again from Russell in 2016.

15 Q. How long did it take you to get them?

16 A. It took several years for me to get the -- to get
17 papers from Russell. I know for sure it would have been at
18 least by 2019, because I received the box in the house that I
19 live in now, and I bought that in 2019. So 2016 to 2019, I
20 requested these documents. And I received some documents at
21 first in 2019. I remember Russell had randomly shot me a
22 text message saying, I put your papers in the mail, you
23 should be getting them any day. And I think it took a day or
24 two. And I got the box. And I remember picking up the box,
25 I was like, wow, that's a lot lighter than I remember. And

1 it was just a fraction of the documents that I got, that I
2 had received when I was 18. So I knew that wasn't all of the
3 documentation.

4 But I also remember thinking, well, if it took that
5 long to get this much, like, I will just work with what I
6 have at this point. So I only received a fraction of the
7 documentations at that time.

8 Q. And when was it when you finally received the rest
9 of what you were looking for?

10 A. So I remember I reached out and I texted -- I either
11 texted or I called Russell when I saw on the news that Alex
12 Murdaugh was shot in the head, Labor Day weekend or Labor
13 Day. I think it was 2021. And I had asked him, you know, if
14 Alex was okay. And he didn't have a whole lot to say because
15 he didn't know. Anyway, so it seems like from that date,
16 SLED was getting involved in everything and looking into
17 Alex's shooting. And then I remember talking to Russell.
18 And I told him that a SLED agent had called me. And he was
19 like, really, SLED, what did they say? And I told him what
20 we had talked about and then ended that conversation.

21 Within that week Russell told me, he said, you know,
22 SLED requested your -- all of your paperwork from when I was
23 your conservator, so I might as well send -- so I need to go
24 ahead and send it to you as well. So I remember that raised
25 a red flag to me at that moment that it took three years for

1 me to receive -- when I asked you for more documents -- for
2 my documentation that I lost in the house fire and only
3 received a fraction of it, but it took SLED requesting all of
4 my documentation before you sent it to me. So when he sent
5 it to SLED, he also sent -- he sent my complete file to me.
6 And that would have been 2021.

7 Q. So I only have a few more questions for you.

8 A. Sure.

9 Q. You work now for the Lexington County Sheriff's
10 Department; is that right?

11 A. I do.

12 Q. And what do you do there?

13 A. I'm a patrol deputy.

14 Q. And with the settlement money, and you've been told
15 all the way back when you were 12, 13, 14, 15, that the
16 settlement would take care of you, you would never have to
17 work again; is that right?

18 A. That is correct.

19 Q. So why do you work on now?

20 A. And that still is very true. The annuity I get,
21 it's sustainable for everyday life. And do I have to work?
22 I don't. But I choose to work because I believe healed
23 people are the best people to help hurting people. I love
24 what I do. And I see people on their worst days. And so
25 what I do is I patrol the roads. I respond to calls. I

1 enforce county ordinances and state law. So I was a
2 supervisor, but I took a demotion after I lost my baby
3 recently, because it was just getting to be too much, but I
4 told my job that I love working the road. And I love being
5 the first people on the frontlines going to help people,
6 because for the children that get abused by their parents, I
7 know what that's like, or for the wreck that I show up on
8 where there's kids involved or there's people involved who
9 have lost loved ones, I know what that's like. For the
10 single mom raising kids that can't make ends meet, who have
11 nowhere to live, I know what that's like too.

12 So I feel like with all of the traumatic events
13 that's happened in my life, there is a silver lining in it.
14 And I use it every day. I will be using it tonight, in fact,
15 when I go to work tonight. And I will use my life
16 experiences to help others.

17 MR. HOLLIDAY: All right. Alania, thank you very
18 much. Answer any questions the defense might have for you.

19 THE COURT: Cross-examination.

20 CROSS-EXAMINATION

21 BY MR. AUSTIN:

22 Q. Good morning, Ms. Plyler.

23 A. Good morning.

24 Q. You might remember me. My name is Matt Austin. We
25 met at the mediation. I didn't really get a chance to say

1 anything there because I'm on the criminal side of this case,
2 but I just want to tell you I'm truly sorry for everything.
3 And that's for the whole team. And I know it's a lot to
4 relive everything. So I will try to be as quick as I
5 possibly can. So I don't mean any disrespect by any
6 questions. Just going to ask a few on the record and try to
7 get you and your sister on the way.

8 A. Thank you.

9 Q. I guess first question I have is just kind of a
10 basic one. It's going back to the original lawsuit that, you
11 know, led to you meeting Alex Murdaugh. And if I heard you
12 correctly, is it true that Alex, Ronnie Crosby and Arnold
13 Beacham were the three lawyers involved in that case?

14 A. Correct.

15 Q. And the way you got to Alex was through your dad's
16 relationship with Arnold Beacham?

17 A. Correct.

18 Q. And Ronnie was brought in because there was like a
19 tire defect issue in the case and that's his specialty?

20 A. Correct. I was told that Firestone, Bridgestone,
21 there was a major lawsuit, even with other people where
22 rubber got mixed up or something happened with their formula
23 and were making faulty tires.

24 Q. I don't know anything about that, those kinds of
25 cases. I will leave it to them. But that was Ronnie's area,

1 and he was involved in the case. Can you describe his
2 involvement in terms of just, like, interpersonal reactions?
3 Were you talking with him as the case attorney?

4 A. Ronnie?

5 Q. Or Alex, yes, ma'am.

6 A. No. I had always liked -- I always felt like Ronnie
7 Crosby did more of, like, the work behind the scenes. And
8 Alex was the talker. He was the one that informed you of
9 what was going on. That was always my personal impression of
10 the two.

11 Q. Yeah. That makes sense. And so I understand
12 from -- well, let me ask you this, too. Ultimately, you are
13 happy with the job that the law firm did on the case, right?

14 A. Correct.

15 Q. And I don't think there's any dispute amongst
16 anybody here that they did a good job in recovering a
17 substantial sum of money?

18 A. I don't think there's any amount of money that can
19 replace, but I think that they did a good job.

20 Q. Uh-huh. And so I want to talk about the loans that
21 were taken from your sister's conservatorship. I just want
22 to make sure this is clear for the jury. Were any loans
23 taken out of your conservatorship?

24 A. Not that I'm aware of.

25 Q. And did you lose any money throughout this process?

1 A. I believe so. And the reason why I say that is
2 because, like I said, I was under the impression that the
3 money that I receive from the lawsuit was to go into an
4 account that was managed by Russell Laffitte. And I have
5 learned recently that Russell took out a loan for my -- like
6 for my car. And I paid high interest rates on that, when I
7 should have had hundreds of thousands of dollars, if not
8 more, sitting in an account. So did I lose money? I would
9 say yes, because I paid interest on loans that were taken
10 through the bank when I had funds -- I should have had funds
11 sitting in the account.

12 Q. And when you said you paid interest, do you know who
13 you were paying interest to?

14 A. From my understanding it went to the bank.

15 Q. So it wasn't paying interest back into the
16 conservatorship?

17 A. I don't know.

18 Q. Okay. And you were talking about your understanding
19 of Russell's duties as a conservator. And, I mean, I totally
20 understand and respect him becoming a father figure, but that
21 wasn't really part of that job description, right? The job
22 was to preserve the money?

23 A. Correct. If you are asking if he was supposed to be
24 a father figure, no, that wasn't in his job duties.

25 Q. And I don't want to minimize anything with that. I

1 don't mean anything by that. I just want to get through what
2 the duties are.

3 A. Sure. Russell may not have even known that he
4 was -- I looked at him as a father figure, because, like I
5 said, we were -- I was in Columbia. He was in Hampton. So
6 he probably -- in his mind, it was all business, but as a
7 young teenager, I looked at him. He seemed like good people.
8 And he was an older man that was close to my father's age.
9 So he took that role. Probably didn't even know it.

10 Q. Just sort of naturally developed that way?

11 A. Yes.

12 Q. And y'all are dealing with each other a lot, not a
13 daily basis seeing each other --

14 A. On a financial basis, yeah.

15 Q. And he may have been hard to get in touch with
16 sometimes, but, ultimately, you would get in touch with him;
17 is that right?

18 A. Correct.

19 Q. And so you are not saying that you take a side --
20 like you were talking about with the vehicle, you are not
21 saying that Russell stole any money from you; is that
22 correct?

23 A. I am not really sure what was done with our money,
24 because it wasn't ever talked about.

25 Q. Sure.

1 A. Russell never asked us about our accounts. We just
2 went to him when we needed money.

3 Q. Fair enough. Are you aware of how much money in
4 interest your conservatorship account accrued during the time
5 that Russell was your conservator?

6 A. I do not.

7 Q. Do you know about your sister?

8 A. I do not.

9 Q. And I think it's very admirable that you went into
10 law enforcement with everything you've been through. I've
11 worked in law enforcement before, so I respect that. I'm
12 just sort of curious about your training. Did you go to the
13 police academy when you first became an officer?

14 A. I did.

15 Q. And I think you said your job is to enforce South
16 Carolina state law?

17 A. Correct.

18 Q. And so you are somewhat familiar with the South
19 Carolina Code, probably the criminal section?

20 A. Criminal side, yes, sir.

21 MR. HOLLIDAY: Your Honor, objection. Relevance.

22 THE COURT: What's the relevance, Mr. Austin?

23 MR. AUSTIN: I'm about to get there, Your Honor.

24 THE COURT: Go ahead and we will consider it. Let
25 me hear what you've got to say.

1 BY MR. AUSTIN:

2 Q. As part of your training in search warrants, is it
3 your understanding that the purpose of getting a search
4 warrant, you get permission to do something you otherwise
5 couldn't do?

6 A. Correct.

7 MR. HOLLIDAY: Objection. Relevance, Your Honor.

8 THE COURT: Sustained. And she's not -- sustained.

9 BY MR. AUSTIN:

10 Q. Again, I don't mean any disrespect here. In
11 preparation for trial, I think you said you had multiple
12 meetings with the Government, SLED, and FBI. At any point
13 did anybody discuss whether or not it was illegal for Russell
14 to make --

15 MR. HOLLIDAY: Objection. Relevance. Calls for a
16 legal conclusion.

17 THE COURT: I didn't hear the question.

18 MR. AUSTIN: I was asking if she was informed that
19 there was a statute saying that Russell could take loans.

20 MR. HOLLIDAY: Objection. Hearsay.

21 THE COURT: What they said would be hearsay, offered
22 for the truth. Sustained.

23 MR. AUSTIN: Your Honor, may I -- I'm asking to try
24 to get her understanding and her -- the effect on her and how
25 she perceived Russell.

1 THE COURT: Okay. Her testimony and how she
2 perceived Russell, I don't see how that would reach that. I
3 sustained the objection.

4 MR. AUSTIN: Okay. I will move on.

5 BY MR. AUSTIN:

6 Q. I think you testified about the settlement funds
7 kind of seeming to you like a bottomless pit and thought you
8 could buy all the cars that you wanted, just like any
9 teenager probably would when you hear there's a huge amount
10 of money out there; is that right?

11 A. Correct. That would have been when I turned 18. I
12 didn't have any say-so in what kind of car I wanted to buy.
13 Just like with the house, it was whatever Russell decided to
14 pick.

15 Q. Well, on the house front, isn't it true that one of
16 the houses that you were interested in failed inspection, and
17 that's why the purchase didn't go through?

18 A. It's been so long ago, almost 20 years ago, I can't
19 recall that.

20 Q. And when you were talking about trying to get the
21 probate files from Mr. Laffitte, ultimately, you did get
22 those files from him, right?

23 A. When he told me that SLED requested them, that's
24 when he sent me the complete file.

25 Q. They are substantial. I think we have a whole box

1 over here full of them.

2 A. Yeah, it's a lot.

3 Q. The whole time, all of those files were actually
4 with the court still; is that correct?

5 A. I'm not sure. I never dealt with the courts
6 personally.

7 Q. And you don't think there's anything that he left
8 out or took out of them? Do they seem complete?

9 A. At this point, I'm not sure if everything is there
10 or not.

11 Q. But there's a lot?

12 A. There's a lot.

13 Q. I've become all too familiar, unfortunately, with
14 probate documents. And so I think just last thing to wrap up
15 and just to reiterate, aside from the car, you are not aware
16 of anything that you think was taken from your account?

17 A. I believe we are still looking into all of that.

18 Q. You don't know of anything at this moment?

19 A. Correct.

20 MR. AUSTIN: Thank you very much. I appreciate it.

21 THE COURT: Anything on redirect?

22 MR. HOLLIDAY: Your Honor, I have nothing on
23 redirect. I ask that Alania be allowed to be excused.

24 THE COURT: Any objection? Mr. Austin, any
25 objection on Alania being excused?

1 MR. AUSTIN: No, Your Honor.

2 THE COURT: You may be excused. Thank you, ma'am.

3 (Whereupon, the witness is excused)

4 THE COURT: Government call your next witness.

5 MR. HOLLIDAY: Your Honor, thank you. The
6 Government calls Hannah Plyler.

7 THE COURT DEPUTY: Please state your full name.

8 THE WITNESS: Hannah Marie Plyler.

9 HANNAH PLYLER,

10 having been duly sworn, testifies as follows:

11 DIRECT EXAMINATION

12 BY MR. HOLLIDAY:

13 Q. Hannah, you can take your mask off so the jury can
14 hear you.

15 A. Okay.

16 Q. And the only thing I would ask, like your sister,
17 you are a little soft-spoken, be sure, when I ask you a few
18 questions, speak into the mic. Okay?

19 A. Okay.

20 Q. How are you doing today?

21 A. Doing all right.

22 Q. It's an unnatural situation, I know.

23 A. Yeah.

24 Q. But these folks are very interested in what you have
25 to say. You and I have sat down with each other a couple of

1 times before today; is that right?

2 A. Yes, sir.

3 Q. And I know from us sitting down that some of the
4 things that we cover are upsetting to you. But I will tell
5 you we covered a lot with your sister, and I don't plan to go
6 over some of these things. Okay? You've helped me
7 understand some things about the accident. In our
8 discussions, we talked about the accident you were in, the
9 conservatorship and things of that nature. So we are going
10 to be talking about that. Do you understand?

11 A. Yes, sir.

12 Q. Okay. Do you know the defendant, Russell Laffitte?

13 A. Yes.

14 Q. How do you know him?

15 A. He was my conservator.

16 Q. And I know you were very young at the time, but what
17 kind of understanding did you have as to what he would be
18 doing for you as a conservator?

19 A. My understanding was he was supposed to protect our
20 money until we turned 18. That was my understanding of him.

21 Q. Okay. And then your conservatorship ended when you
22 were 18, as you've just said; is that right?

23 A. Yes, yes, that's correct.

24 Q. We are going to briefly go over some high level
25 details with the car accident. I'm going to lead you through

1 some of that and then we will be done with it. Okay?

2 A. Okay.

3 Q. So the accident was on July 16th, 2005; is that
4 right?

5 A. Yes, that's correct.

6 Q. And your mother and your brother, you and your
7 sister were all in the car; is that correct?

8 A. That's correct.

9 Q. And it was a Ford Explorer?

10 A. Yes.

11 Q. And you were eight years old; is that correct?

12 A. Yes.

13 Q. And there was a tire failure on the Explorer?

14 A. Yes.

15 Q. And that sent the Explorer down into the woods, and
16 y'all hit trees and things of that nature; is that right?

17 A. That's correct.

18 Q. And your mom and Justin died in the accident?

19 A. That's correct.

20 Q. And your sister was badly hurt. She was trapped in
21 the car and all that. Do you remember that?

22 A. Yes.

23 Q. You were actually the one -- you were not trapped?

24 A. No.

25 Q. And you went up to the road to get help; is that

1 right?

2 A. Yes, that's correct.

3 Q. We are done with that.

4 A. Okay.

5 Q. Did you have to go to the hospital?

6 A. Yes.

7 Q. Tell the jurors just a little bit about your
8 injuries.

9 A. I had an injury to my leg, my eye, left side of my
10 face, dental. So that was basically it.

11 Q. After the accident, where did you go live, Hannah?

12 A. With my grandparents.

13 Q. Okay. Did you get moved around a good bit or did
14 you basically stay with your grandparents most of the time?

15 A. I moved around from family member to family member.

16 Q. And you were actually the one that actually lived
17 with your father a little more than your sister might have,
18 is that right?

19 A. That's correct.

20 Q. At some point there was a lawsuit, right?

21 A. Yes.

22 Q. And do you remember any of the lawyers? Again, you
23 are eight years old at the time of the accident, 12 when it
24 gets settled. But do you remember any of the lawyers who
25 were involved?

1 A. No, I don't, not besides Alex.

2 Q. And the lawsuit was settled in 2009. Do you
3 remember when it settled?

4 A. Yes, sir.

5 Q. Were you told how much money you were going to be
6 getting?

7 A. No, sir.

8 Q. Were you told anything about the settlement or the
9 money?

10 A. We would be taken care of.

11 Q. Okay.

12 A. That was basically it.

13 Q. So how was it that you became aware of the defendant
14 Russell Laffitte at that young age? When did you meet each
15 other or how did you meet each other? When is a difficult
16 question. How did you meet him?

17 A. I want to say I was around 11 years old, somewhere
18 around there. I'm not sure of where we were at when we first
19 met. I honestly -- I was young, you know. It's been years
20 ago. But I do know I was about the age of 11.

21 Q. And what was your understanding of the role he would
22 be playing in your life?

23 A. If I needed anything as far as clothes or school
24 supplies or anything like that, then I would have to contact
25 him first, and he would have to get it approved, and then he

1 would get back to me.

2 Q. So as far as the approval goes, were there certain
3 conditions? Let's back up a half a step. Did you get an
4 allowance?

5 A. Yes, every week.

6 Q. Okay. About how much was that?

7 A. About \$100.

8 Q. And so occasionally there were things that exceeded
9 that \$100; is that correct?

10 A. Yes, that's correct.

11 Q. Give the jury an example or some examples of the
12 kinds of things that you needed to buy that were outside the
13 allowance?

14 A. Maybe if it was things for other family members or
15 bills. I mean, could be a number of things.

16 Q. Okay. Tell me about that, what you said about other
17 family members. What was going on there?

18 A. Basically, if they needed help with bills or food or
19 anything like that, then I would have to contact Russell to
20 see if I could get more of an allowance to be able to do
21 those things.

22 Q. Okay. When you did have those unusual expenses,
23 what were the requirements that were -- that he told you you
24 had to do to get the money?

25 A. I know he would have to contact the judge to get

1 approval for it.

2 Q. Did you have to provide any documentation?

3 A. Receipts.

4 Q. Talking generally about some of the things that you
5 had to buy when you were a kid, did you have to buy school
6 supplies for yourself?

7 A. Yes.

8 Q. Did you have to buy your own clothing?

9 A. Yes.

10 Q. Sometimes your own food?

11 A. Yes.

12 Q. Tell me about the Disney trip.

13 A. I was told if I didn't have receipts, then I just
14 had to keep it, you know, the basics. And, you know, that's
15 hard for a little girl, especially who just lost her mom and
16 brother, just trying to have a good time. And you still just
17 feel like -- I don't know. I feel like it should have just
18 been easy for us.

19 Q. Like your sister, at some point you needed a car as
20 well; is that right?

21 A. Yes, that's correct.

22 Q. Tell me a little bit about that.

23 A. I had asked if I could get a vehicle. And I wasn't
24 approved the first time. And that's when I needed it the
25 most, you know, not only for school, but my granddad, he was

1 on a 100 percent oxygen. So it was kind of important for me
2 to have to take him back and forth to the hospital. But I
3 wasn't approved until I moved in with my sister. And that's
4 when she was pregnant with her twins and needed my help. And
5 so I guess finally he just thought it was okay then --

6 Q. Okay.

7 A. -- after the second time of asking.

8 Q. I think you have given the jury a good idea of the
9 expenses up until you turned 18. Why don't we talk a little
10 bit about that. When you turned 18, did you have a meeting
11 with the defendant?

12 A. Yes, I did.

13 Q. Okay. Tell us about that meeting.

14 A. Not really much to it. Met at Starbucks. He handed
15 over just binders and binders and binders of paperwork. And
16 that was pretty much it. And we were on our way.

17 Q. Did he explain to you what was in the binders?

18 A. No, sir.

19 Q. Did he talk to you about managing the money that
20 would be coming your way soon?

21 A. No, sir.

22 Q. Did he recommend a financial advisor to you?

23 A. No, sir.

24 Q. How long do you think you were at the Starbucks in
25 Irmo?

1 A. Probably no longer than, like, 15 minutes.

2 Q. And when did you hear from him again after that?

3 A. Not very often, maybe one time.

4 Q. When was the last time you heard from him?

5 A. This past December.

6 Q. Have you looked at the documents that he gave you at
7 Starbucks?

8 A. No.

9 Q. Why not?

10 A. I wouldn't even know where to begin, honestly. And
11 I wouldn't even know if it would make sense to me.

12 Q. You are receiving an annuity, is that right, a
13 payment every month?

14 A. That's right.

15 Q. And you basically live off of that payment, correct?

16 A. That's correct.

17 Q. You have your own house now?

18 A. Yes.

19 Q. And you have a family as well, you have a little
20 one?

21 A. Yes.

22 Q. Going back to the time of the conservatorship, back
23 to when you were a teenager, did you know who Arthur Badger
24 was?

25 A. No, sir.

1 Q. Did you know who Hakeem Pinckney was?

2 A. No, sir.

3 Q. Did you know who Natasha Thomas was?

4 A. No, sir.

5 Q. During the conservatorship, were you aware of how
6 much money the defendant was paid for being your conservator?

7 A. No, sir.

8 Q. Did you know how much he was paid for being your
9 conservator?

10 A. No.

11 Q. Were you ever aware of loans he was taking out of
12 your account?

13 A. No, sir.

14 Q. Were you aware of loans he was giving to your former
15 lawyer, Alex Murdaugh, out of your account?

16 A. No, sir.

17 Q. And do you know where the money came from to pay
18 those loans back?

19 A. No, sir.

20 Q. When was it that you found out how much your
21 settlement was for?

22 A. Can you repeat that? I'm sorry.

23 Q. The accident case settled for a certain amount of
24 money, right?

25 A. Right.

1 Q. When was it that you eventually found out how much
2 money that was?

3 A. I'm not sure.

4 MR. HOLLIDAY: All right. Thank you, Hannah, for
5 answering my questions. Please answer any questions the
6 defendants might have.

7 THE COURT: Cross-examination.

8 CROSS-EXAMINATION

9 BY MR. AUSTIN:

10 Q. Good morning, Ms. Plyler.

11 A. Good morning.

12 Q. I've already said this to your sister, but just
13 repeat it, I will be really quick. And, again, I'm Matt
14 Austin. We met before at mediation. And I just want to
15 express how sorry I am that you are having to do this today
16 and that you've been through everything you've been through.
17 So I will be short and quick. Because it can be -- I forgot
18 my outline. Sorry.

19 So with your conservatorship, do you know if any
20 money ultimately was taken or lost by Russell or by Alex
21 Murdaugh?

22 A. I've been told now it was taken, but I wasn't aware
23 of it before.

24 Q. And how much money was taken, just roughly?

25 A. I don't know the exact amount.

1 Q. Okay. But your understanding is that Russell took
2 money from it?

3 A. Yes.

4 Q. And where does that come from? Where have you heard
5 that?

6 A. From my attorneys.

7 Q. Okay. And fair to say that Russell was pretty
8 engaged as a conservator at the time you were dealing with
9 him? Did he talk to you on a weekly basis?

10 A. I wouldn't say weekly, no.

11 Q. No? Okay. But, ultimately, if you needed him,
12 could you get in touch with him to get the things that you
13 needed?

14 A. Most of the time.

15 Q. Okay. And are you aware of whether or not your
16 conservatorship, the loans generated any interest income for
17 your conservator account?

18 A. I am now.

19 Q. Do you know how much that was in total, again, not
20 anything specific?

21 A. I don't know. I really don't.

22 Q. Is it in the hundreds of dollars, thousands?

23 A. Thousands.

24 Q. Okay. And so would you agree with me that he
25 effectively did conserve your conservatorship funds?

1 A. Can you repeat that?

2 Q. Would you agree that he did conserve the money that
3 was entrusted to his care, in fact, he grew it?

4 A. I don't see how, but ...

5 Q. Okay. I am not trying to trick you or anything. I
6 just -- I can move on from that. And are you aware of the
7 fact that the South Carolina probate code allows for
8 conservatives to make --

9 MR. HOLLIDAY: Your Honor, objection.

10 THE COURT: Sustained.

11 MR. AUSTIN: I think that's all I have. Thank you
12 very much.

13 THE COURT: Anything on redirect?

14 MR. HOLLIDAY: No. I appreciate that. I'd ask
15 Hannah be allowed to be excused.

16 THE COURT: Can she be excused? Any need, Mr.
17 Austin?

18 MR. AUSTIN: Yes.

19 THE COURT: You are excused. Thank you, ma'am.

20 (Whereupon the witness is excused.)

21 MS. LIMEHOUSE: Your Honor, the Government's next
22 witness is a lengthy witness.

23 THE COURT: Very good. Let's take our morning
24 break.

25 (Jury leaves open court at 10:31 a.m.)

1 THE COURT: We will be at ease for about 10 minutes.

2 (Whereupon, a recess transpired.)

3 THE COURT: Counsel, I know there's a tendency to
4 want to wander towards the witness a bit. You've got to stay
5 in front of the microphone because the jurors are having
6 trouble hearing you.

7 MR. DANIEL: Thank you, Your Honor.

8 THE COURT: I know in the old world, we never had --
9 old days we didn't have microphones and we all had our
10 teacher voices and we talked allowed. But that's not the way
11 it is today. And the courtroom, acoustics are a little funny
12 if you are not right at the microphone.

13 Ms. Perry, are the jurors ready?

14 THE COURT DEPUTY: Yes, Your Honor.

15 THE COURT: Bring the jury in.

16 (Whereupon, the jury returns to open court at 10:56
17 a.m.)

18 THE COURT: Government, call your next witness.

19 MS. STOUGHTON: The Government calls Cyndra Swinson.

20 THE COURT DEPUTY: Please state your full name.

21 THE WITNESS: Cyndra Swinson.

22 CYNDRA SWINSON,

23 having been duly sworn, testifies as follows:

24 DIRECT EXAMINATION

25 BY MS. STOUGHTON:

1 Q. Good morning, Ms. Swinson.

2 A. Good morning.

3 Q. Will you introduce yourself to the jury?

4 A. I'm Cyndra Swinson. I'm a forensic accountant for
5 the Federal Bureau of Investigation.

6 Q. What year did you start working for the FBI?

7 A. 2010.

8 Q. And have you been working for them as a forensic
9 accountant since you joined in 2010?

10 A. I have.

11 Q. What did you do before you joined the FBI?

12 A. I worked in public accounting for approximately 13
13 1/2 years.

14 Q. How would you describe your day-to-day
15 responsibilities as a forensic accountant?

16 A. I'm tasked with looking at various financial
17 documents, such as bank statements and supporting
18 documentation to support the case, cases, investigations of
19 the FBI.

20 Q. Tell the jury a little bit about your education and
21 the training that you've done that qualifies you to be a
22 forensic accountant at the FBI.

23 A. So I've been a certified public accountant since
24 1999. I've also been certified as a fraud examiner since
25 2005. And I'm required to maintain 40 hours of continuing

1 professional education each year. I do have a bachelor's
2 degree in accounting.

3 Q. You've been asked to review financial documents
4 associated with Russell Laffitte's case?

5 A. I have.

6 Q. So I want to start by walking you through the types
7 of documents that you reviewed in this case. You reviewed
8 financial records for what two individuals?

9 A. Russell L. Laffitte and Richard Alexander Murdaugh.

10 Q. Let's start with Mr. Laffitte. I'm going to hand
11 you a number of exhibits. These have already been admitted
12 into evidence. And we are going to walk through them one by
13 one. Let's look first at Government's Exhibit 166, which
14 should be on the top of that stack.

15 A. Okay.

16 Q. We are going to talk about the substance of all
17 these documents more in a little bit. But just at a high
18 level, explain to the jury what this document shows.

19 A. This is a detailed listing of checks and other
20 disbursements and deposits into Russell Laffitte's SouthState
21 Bank account.

22 Q. So this is a SouthState Bank account, not a Palmetto
23 State bank account, correct? It's on their screens.

24 MR. HOLLIDAY: The jurors cannot see the exhibits,
25 Your Honor.

1 THE COURT: Thank you. Are we good now? Good.
2 Thank you, all. Thank you all very much. Please -- I can't
3 see what you can't see, so you got to let me know. Please
4 continue.

5 BY MS. STOUGHTON:

6 Q. So this is a SouthState bank account for Russell
7 Laffitte; is that correct?

8 A. That's correct.

9 Q. What did you rely on to prepare the list of
10 transactions in this spreadsheet?

11 A. Bank statements and the supporting documentation,
12 such as deposit tickets and checks.

13 Q. So we've got the first page pulled up for the jury.
14 You have the whole exhibit in front of you. What time period
15 did you cover for this bank account?

16 A. December 7th, 2010. Can you go to the second page
17 of that?

18 Q. That's all right. So we start in December and then
19 we get to 2013; is that correct?

20 A. Yes.

21 Q. All right. Is this the only personal account of
22 Russell Laffitte that you relied on in doing your analysis in
23 this case?

24 A. Yes.

25 Q. Let's go to Government's Exhibit 167, which is up on

1 the screen. It's not in the stack that I gave you. Can you
2 explain what this document is to the jury?

3 A. This is a spreadsheet of the accounting prepared by
4 Russell Laffitte for loans and the principal and interest
5 that was paid back on those loans for various dates between
6 2011 and 2015.

7 Q. Okay. Across the top you will see there's a series
8 of loan numbers. Can you explain those loan numbers to the
9 jury?

10 A. So in the first column, for example, the loan 71811
11 corresponds to the date July 18th, 2011.

12 Q. And that's true of all the loans listed on this
13 spreadsheet?

14 A. Yes, it is.

15 Q. Okay. Let's turn to the documents you reviewed for
16 Alex Murdaugh. Could we pull up Government's Exhibit 160.

17 So this is one of the accounts of Alex Murdaugh that
18 you reviewed; is that correct?

19 A. That's correct.

20 Q. And this is a farm account --

21 A. Yes.

22 Q. -- of Palmetto State Bank?

23 A. Yes.

24 Q. All right. What did you rely on when you prepared
25 this list of transactions?

1 A. I relied on the bank statement and the supporting
2 documentation, such as deposit tickets and checks.

3 Q. What's the date range for these transactions?

4 A. May 1st, 2013, through September 20th, 2013.

5 Q. That's just the first page. I think you should have
6 the full document in front of you.

7 A. I'm sorry. What's the exhibit number again?

8 Q. 160.

9 A. One moment, please. May 1st, 2013, to August 31st,
10 2021.

11 Q. All right. We are going to pull up Government's
12 Exhibit 161. This is another Murdaugh account. You have it
13 up there as a CD, but we've got the first page here and we
14 can pull up the last page. Is this another Murdaugh account
15 at Palmetto State Bank that you reviewed?

16 A. Yes, it is.

17 Q. What are the date ranges for this transaction --
18 these transactions, excuse me?

19 A. February 16th, 2010.

20 Q. We will pull up the last page.

21 A. To October 25th, 2021.

22 Q. All right. Let's look at Government's Exhibit 162.
23 This is a third Murdaugh account at Palmetto State Bank; is
24 that correct?

25 A. That's correct.

1 Q. Do you have the document in front of you?

2 A. I do.

3 Q. What's the date range for these transactions on this
4 account?

5 A. November 14th, 2011, to December 12th, 2011.

6 Q. Is that 162 that you are looking at?

7 A. Yes, ma'am.

8 Q. We have one more Murdaugh account, Government's
9 Exhibit 163. This account was in the name of both Margaret
10 and Alex Murdaugh; is that correct?

11 A. That's correct.

12 Q. So this is a fourth Murdaugh account at Palmetto
13 State Bank. But is this the only one you looked at that was
14 in both names, Margaret and Alex?

15 A. That's correct.

16 Q. And then what did you rely on to prepare this list
17 of transactions?

18 A. The bank statements and supporting documentation,
19 such as deposit tickets and checks.

20 Q. So in a few minutes we are going to talk about a
21 number of loans out of the Plyler conservatorship accounts
22 that came into these Murdaugh accounts. But before we get
23 there, let's pull up Government's Exhibit 164. This is one
24 of the Plyler conservatorship accounts; is that correct?

25 A. Yes, it is.

1 Q. Then we've got Government's Exhibit 165. Is this
2 the second conservatorship account that you looked at?

3 A. Yes, it is.

4 Q. So are these the only two Hannah Plyler
5 conservatorship accounts that you looked at in the course of
6 doing your analysis?

7 A. Yes.

8 Q. In addition to these bank accounts that we just
9 looked at and walked the jury through, what other types of
10 documents did you look at in conducting your analysis in this
11 case?

12 A. Loan records and supporting documentation,
13 promissory notes provided by Palmetto State Bank.

14 Q. Were there checks?

15 MR. DANIEL: Provided by who?

16 MS. LIMEHOUSE: Palmetto State Bank.

17 BY MS. STOUGHTON:

18 Q. Were there checks?

19 A. Yes.

20 Q. Deposit slips?

21 A. Yes.

22 Q. Money orders?

23 A. Yes.

24 Q. Credit and debit memos?

25 A. That's correct.

1 Q. Based on your review and your analysis of all of
2 those documents, did you analyze Russell Laffitte's loans
3 from Hannah Plyler's conservatorship?

4 A. I did.

5 Q. We are going to walk through that analysis. It's
6 Government's Exhibit 172, which is already in evidence. All
7 right. Ms. Swinson, at the top, this says Russell Laffitte's
8 SCB&T loan No. 8101. What is SCB&T?

9 A. South Carolina Bank and Trust.

10 Q. What are we looking at on this slide?

11 A. This is the various terms of the note Russell L.
12 Laffitte had with South Carolina Bank and Trust.

13 Q. When was this loan taken out?

14 A. August 20th, 2007.

15 Q. So this is a statement from the loan. About what is
16 the date of this loan statement?

17 A. Approximately July 1st, 2008.

18 Q. Is this loan secured by collateral?

19 A. It is.

20 Q. What does the statement indicate that collateral is?

21 A. Bank of America stock.

22 Q. What's the interest rate on the loan?

23 A. Five percent.

24 Q. What's the principal balance remaining on the loan
25 as of the date of this statement?

1 A. \$68,443.32.

2 Q. So you indicated the loan was taken out on August
3 20th of 2007, when was this loan due?

4 A. August 21st, 2008.

5 Q. Going to slide 3. Is this a document associated
6 with the same loan that we just looked at?

7 A. Yes, it is.

8 Q. What does this slide show?

9 A. This slide shows that the interest rate changed from
10 8.25 percent to prime rate 6 percent effective February 8th,
11 2008, per modification agreement dated around February 4th,
12 2008.

13 Q. Okay. On the bottom left, you've got a box around
14 LOC for \$75,000. What does that mean?

15 A. This was a line of credit for \$75,000.

16 Q. So this is an August of 2007 loan. We are going to
17 move to July of 2008 loan. What does slide 4 show?

18 A. So this is South Carolina Bank and Trust credit
19 approval form indicating a request for a new \$120,000 loan
20 with a five-year maturity at an interest rate of 6 percent.

21 Q. So this is part of a loan application?

22 A. Yes.

23 Q. And what is Mr. Laffitte requesting credit for?

24 A. Investments.

25 Q. In the amount of?

1 A. \$120,000.

2 Q. Let's look at lines 5, 6 and 7. Could you explain
3 this math to the jury?

4 A. So \$120,000 is the amount of the new request.
5 \$68,323 is Russell Laffitte's total existing exposure. And
6 refers back to the loan we just talked about. And that loan
7 is going to be paid off with the new \$120,000 loan.

8 Q. Okay. What is the collateral for this new \$120,000
9 loan?

10 A. In the bottom left, 2,471 shares of Palmetto State
11 Bank, stock certificate No. 1117.

12 Q. And what's the interest rate?

13 A. Six percent.

14 Q. I'm going to go the next portion of this same
15 financial statement. What are the terms of this loan?

16 A. It's a five-year balloon with a ten-year
17 amortization at 6 percent interest rate.

18 Q. And what does this indicate the source of repayment
19 of this loan will be?

20 A. The debtor's personal income, liquidation of assets,
21 or sale of collateral.

22 Q. Go to the third part of this same statement.
23 There's a box you circled that says AGI. What does that
24 mean?

25 A. Adjusted gross income.

1 Q. And what does this indicate Mr. Laffitte's adjusted
2 gross income is?

3 A. \$288,736.

4 Q. What about his outside net worth?

5 A. \$3,421,877.

6 Q. And what about his occupation?

7 A. Vice president, Correspondent Bank.

8 Q. All right. So we just looked at a loan application
9 from July of 2008. Is this the promissory note that's
10 associated with the loan generated from that application?

11 A. Yes, it is.

12 Q. So what's the actual date of this loan?

13 A. July 11th, 2008.

14 Q. And what does the note indicate the interest rate
15 is?

16 A. Six percent.

17 Q. Do you know what a prime interest rate was in July
18 of 2008?

19 A. Six percent.

20 Q. Go to the next page of the promissory note. When is
21 this loan due?

22 A. It's a five-year note due July 11th, 2013.

23 Q. And third page of the same note, what are the terms
24 of this loan should the defendant default on his payments?

25 A. The holder of the note, which would be the lender,

1 could call the note due and payable in full.

2 Q. All right. I want to talk about a third loan that
3 the defendant got from SCB&T. What is the date of this third
4 loan?

5 A. July 28th, 2010.

6 Q. All right. So this is about two years since that
7 \$120,000 loan that we just talked about?

8 A. Yes, that's correct.

9 Q. What's the amount of this loan?

10 A. \$50,000.

11 Q. What's the interest rate?

12 A. 5.95 percent.

13 Q. All right. So next page of the promissory note,
14 when is this loan due?

15 A. July 28th, 2011.

16 Q. All right. Could you explain this
17 cross-collateralization notice to the jury?

18 A. Yes. This notice indicates that the collateral
19 listed at the bottom of the page serves as collateral for
20 both the \$120,000 loan and the \$50,000 loan.

21 Q. So the same Palmetto State Bank shares and Bank of
22 America stock is used to secure both of these SCB&T loans; is
23 that correct?

24 A. Yes.

25 Q. So let's go back and talk about that \$120,000 loan.

1 What is this document?

2 A. This is the paid note statement for that \$120,000
3 note.

4 Q. So it's showing payments made on that loan, correct?

5 A. That's correct.

6 Q. Is this -- this is a loan from July 2008?

7 A. Yes.

8 Q. When was that loan paid off according to this
9 statement?

10 A. July 15th, 2011.

11 Q. What was the balance on the loan when the final
12 payment was made?

13 A. \$92,428.55.

14 Q. Let's go to the \$50,000 loan. What does this paid
15 note statement show?

16 A. This loan was also paid off on July 15th, 2011.

17 Q. So this is the \$50,000 July 2010 loan, correct?

18 A. That's correct.

19 Q. And what was the date the loan was paid off?

20 A. July 15th, 2011.

21 Q. Is that the same date that the \$120,000 loan was
22 paid off?

23 A. Yes, it is.

24 Q. All right. And what was the balance on this loan
25 when the final payment was made?

1 A. \$52,908.88.

2 Q. All right. This is slide 15. What does this show?

3 A. This shows on July 15th, 2011, a check payable to
4 Russell L. Laffitte in the amount of \$225,000 was disbursed
5 from Hannah Plyler's conservatorship account.

6 Q. So the check on the right, Russell Laffitte's name
7 is on that check three times. Could you explain that to the
8 jury?

9 A. In the upper left-hand corner, Russell Laffitte's
10 name is listed as the conservator for Hannah Plyler's
11 account. Indicates he would have authority to conduct
12 transactions on that account. The "Paid to the order of
13 Russell Laffitte" indicates the check is payable to him and
14 he can negotiate that check as he wants to. His name also
15 appears in the signature section of that check indicating
16 that he was authorized to make that withdrawal.

17 Q. So this \$225,000 check from Hannah Plyler's
18 conservatorship is dated July 15th, 2011. Is that the same
19 date the defendant paid off those two prior loans we just
20 discussed?

21 A. Yes, it is.

22 Q. Is this the promissory note associated with that
23 \$225,000 transfer?

24 A. Yes.

25 Q. What are the terms of this loan?

1 A. The \$225,000 balance earned interest at 3.25 percent
2 and was due and payable on May 1st, 2012.

3 Q. So it's about a nine-month loan? Is that math
4 right?

5 A. That's correct.

6 Q. Does this loan include an agreement to pay a late
7 fee for payments made more than 10 days past the due date?

8 A. It does. And you can see that in the middle of the
9 page.

10 Q. What is that late fee?

11 A. 5 percent.

12 Q. Whose name is in the "paid to" line of this
13 promissory note?

14 A. Hannah Plyler's conservatorship.

15 Q. Could you explain this collateral register from
16 SCB&T to the jury?

17 A. This is a register that South Carolina Bank and
18 Trust kept in their possession while they had the stock that
19 secured the previous loans Russell Laffitte had with the
20 bank. And when those loans were paid off, the security --
21 the security was to be returned to Russell Laffitte along
22 with the collateral register. And you can see on -- excuse
23 me, September 12th, 2011, South Carolina Bank and Trust
24 returned the collateral and this collateral register to
25 Russell Laffitte. And he signed for it and returned it to

1 South Carolina Bank and Trust on September 14th, 2011.

2 Q. All right. So you previously testified that the
3 defendant used the same Palmetto State Bank shares and Bank
4 of America stock to secure his two SCB&T loans. Does this
5 mean that SCB&T returned those certificates to him after he
6 paid off those two loans?

7 A. Yes, that's correct.

8 Q. We are still on July 15th, 2011, the date that those
9 two loans to SCB&T were paid off. What does this line show?

10 A. You will see in the upper right-hand corner, the
11 same checks we saw earlier, payable to Russell Laffitte for
12 \$225,000. Only 223,000 of that check was deposited to
13 Russell Laffitte's account as noted on the left. \$2,000 of
14 that was kept as cash back from the transaction.

15 Q. So after that \$223,000 is deposited into the
16 defendant's account, where did it go?

17 A. So the two transactions in the check section, one
18 for 52,908.88 -- so in the check section of the bank
19 statement, on the left, the first two transactions, one in
20 the amount of \$52,908.88, and the second in the amount of
21 \$92,428.55 were used to pay off Russell Laffitte's two loans
22 outstanding to South Carolina Bank and Trust.

23 Q. So the defendant took a \$225,000 loan from the
24 Plyler conservatorship at a 3.25 percent interest rate, and
25 then the same day, he used that money to pay back the two

1 loans that he had gotten at what interest rates from SCB&T?

2 A. 5.95 percent and 6 percent.

3 Q. At the time of this \$225,000 deposit into the
4 defendant's account, what was the last statement balance?

5 A. \$76.97.

6 Q. All right. So you testified that this July 15th
7 loan from the Plyler conservatorship was due on May 1st of
8 2012. How did the defendant pay off that loan? Let's start
9 with this check on the top left.

10 A. On January 4, 2012, this check in the middle payable
11 to Palmetto State Bank in the amount of \$60,000 was converted
12 to two bank money orders, as seen in the bottom middle and
13 bottom right.

14 Q. Okay. So we are starting with the check on the
15 left. What's the date on that check?

16 A. January 3rd, 2012.

17 Q. Who is the check from?

18 A. The firm.

19 Q. And who is it to?

20 A. Palmetto State Bank.

21 Q. What does the memo line say this check is for?

22 A. Conservator fee, Hakeem L. Pinckney.

23 Q. And what's the amount of the check?

24 A. \$60,000.

25 Q. So where does this \$60,000 then go?

1 A. It's converted to the bank, to bank money orders on
2 the right-hand side of the page.

3 Q. Could you explain to the jury this box on the bottom
4 left-hand side of the screen?

5 A. So this is just part of the accounting from the
6 original worksheet that we saw earlier where Russell was
7 accounting for each individual loan and the principal and
8 interest he was applying to each loan. And the bank money
9 order in the middle right-hand side of the page in the amount
10 of \$53,465.88 was used to apply to the principal and interest
11 balance due on that 7/18/11 transfer.

12 Q. So this \$53,000 in this check is a principal and
13 interest payment on the \$225,000 Plyler loan, correct?

14 A. Yes.

15 Q. And then the balance of that from the \$60,000 Hakeem
16 Pinckney fee goes to cash; is that right?

17 A. That's correct.

18 Q. So that \$53,000 is deposited into Hannah Plyler's
19 conservatorship. And then what happened to the rest of that
20 \$225,000 loan?

21 A. So the original note was considered paid off by the
22 renewal of a new note.

23 Q. What's the outstanding balance on that loan now?

24 A. \$175,000.

25 Q. So we are still on that first Plyler loan. But now

1 it's been renewed. Is this the promissory note associated
2 with that renewal of the July 15th loan?

3 A. Yes, it is.

4 Q. What are the terms of this note?

5 A. The \$175,000 is bearing interest at 2.25 percent and
6 it's due and payable January 4th, 2013.

7 Q. Does this note, like the last note, include an
8 agreement to pay a late fee for overdue payments?

9 A. It does.

10 Q. Does it include a default provision in case payments
11 are not made?

12 A. Yes, it does.

13 Q. Whose name is in the "paid to" line?

14 A. Hannah Plyler conservatorship.

15 Q. You indicated the interest rate is 2.25 percent.
16 What was the interest rate on the original \$225,000 loan?

17 A. 3.25 percent.

18 Q. What was the prime interest rate at the time of the
19 renewal in January 2012?

20 A. 3.25 percent.

21 Q. I want to fast-forward to the maturity date of this
22 loan, which you said was January 4, 2013. Did the defendant
23 pay back the outstanding \$175,000 on that date?

24 A. No, he did not.

25 Q. What does this slide show? What happened instead?

1 A. So on January 4th, 2013, Russell calculated the
2 interest due on the loan to be \$3,937.50.

3 Q. So did he make a principal payment?

4 A. No.

5 Q. Explain to the jury what the box on the top left
6 shows.

7 A. This is Russell's accounting for the \$3,937.50 check
8 dated January 4, 2013, in the bottom left-hand corner of the
9 screen.

10 Q. The check is dated January 4th of 2013. Was the
11 check deposited on or around that date?

12 A. No.

13 Q. So what is the box on the right-hand side of the
14 screen showing us?

15 A. Shows there was no deposit in that amount or close
16 to that amount between December 26th, 2012, and January 26th,
17 2013 -- I'm sorry, January 22nd, 2013.

18 Q. So that interest check was dated January 4th of
19 2013. Do you recall when it was deposited?

20 A. I believe it was in December of 2013.

21 Q. So this says December 18th of 2013; is that correct?

22 A. Yes.

23 Q. Was the interest paid on this check calculated as of
24 January when that check was dated or as of December when the
25 interest check was deposited into Hannah Plyler's account?

1 A. The interest was calculated as of the date the check
2 was written, January 4th, 2013.

3 Q. So does this check account for interest that accrued
4 between January and December when the check was deposited?

5 A. No, it does not.

6 Q. So the principal and interest on the loan was due in
7 January, but the conservatorship wasn't paid back interest
8 until December of -- excuse me, December 18th. Did this
9 check that was deposited account for the 5 percent late fee
10 that the defendant had agreed to pay for overdue payments?

11 A. No, it did not.

12 Q. So you've talked about the interest on this \$175,000
13 loan. I want to talk about the principal. When that loan
14 was due on January 4th of 2013, did the defendant pay off the
15 principal?

16 A. No.

17 Q. What did he do instead?

18 A. He considered the note paid off by renewal and
19 renewed the note.

20 Q. So this is a second renewal of that original
21 \$225,000 loan; is that right?

22 A. Yes, that's correct.

23 Q. What are the terms of this, the renewal of this
24 loan?

25 A. The \$175,000 is due with interest at either 2 1/4

1 percent or 1.5 percent on January 4th, 2014.

2 Q. So it's a one-year loan?

3 A. That's correct.

4 Q. Whose name is in the "paid to" line?

5 A. Hannah Plyler conservatorship.

6 Q. Let's talk about the interest rate. What was the
7 interest rate on the original \$225,000 loan?

8 A. 3.25 percent.

9 Q. What was the interest on the first renewal of the
10 remaining 175?

11 A. 2.25 percent.

12 Q. What is the interest rate that comes with this
13 second renewal of the remaining 175?

14 A. 1.5 percent in parenthesis.

15 Q. You testified that the original loan and the first
16 renewal contained an agreement to pay a late fee for overdue
17 payments. Does this second renewal contain a provision like
18 that?

19 A. No, that paragraph is missing.

20 Q. Does this note contain a default provision?

21 A. It does.

22 Q. Would you read it to the jury, please?

23 A. In the event of failure to pay any installment when
24 due, the holder hereof may declare the entire balance due and
25 payable.

1 Q. All right. So when is this note going to come due?

2 A. January 4th, 2014.

3 Q. So let's fast-forward to January 4th of 2014. Did
4 Mr. Laffitte pay off that \$175,000 loan?

5 A. No, he did not.

6 Q. All right. What happened instead?

7 A. On February 19th, 2014, he calculated the interest
8 that was due on the note, which is the check in the bottom,
9 \$2,955.91.

10 Q. So this interest check is dated February 19th of
11 2014. When was it deposited into Hannah Plyler's account?

12 A. December 31st, 2014.

13 Q. Is the defendant's calculation for interest due as
14 of February when this check is dated or as of December when
15 the check was deposited?

16 A. The interest calculated was as of February 19th,
17 2014.

18 Q. So does this check include interest that accrued
19 between February and when it was deposited in December?

20 A. No, it does not.

21 Q. So February 19th, which is over a month after this
22 \$175,000 loan was due, the defendant calculated an interest
23 payment. Did he ever renew this loan?

24 A. No.

25 Q. Did he pay the balance at this time?

1 A. No.

2 Q. So could the conservatorship have declared the
3 balance due and payable based on his default of payments at
4 this time?

5 A. Yes.

6 Q. Did it?

7 A. No.

8 Q. Let's move to a second loan to the defendant from
9 the Plyler conservatorship. What does this slide show?

10 A. On the left-hand side you see a check payable to
11 Russell L. Laffitte in the amount of \$50,000 dated September
12 28th, 2012.

13 Q. So we've moved back now to September of 2012. Was
14 this loan taken out while the loan we just discussed was
15 still pending?

16 A. Yes.

17 Q. At the time of this \$50,000 transfer into the
18 defendant's account, what was the last statement balance?

19 A. \$54.49.

20 Q. And then when the \$50,000 is taken out of Hannah
21 Plyler's conservatorship checking account, what is her
22 remaining balance?

23 A. It left her with \$611.73.

24 Q. Is this the promissory note associated with that
25 \$50,000 transfer from the Plyler conservatorship?

1 A. Yes.

2 Q. What are the terms of this second Plyler loan?

3 A. The \$50,000 accrued interest at 2.5 percent. And it
4 was due in full January 4th, 2013.

5 Q. All right. This is September 28th of 2012. And
6 it's due January 4th of 2013. So this is about a four-month
7 loan; is that right?

8 A. Close to it.

9 Q. Okay. And does this loan, like the original loan,
10 include an agreement to pay a 5 percent late fee for overdue
11 payments?

12 A. It does.

13 Q. Whose name is in the "paid to" line?

14 A. Hannah Plyler conservatorship.

15 Q. You indicated that the interest rate on the loan is
16 2.5 percent. What was the prime interest rate at the time?

17 A. 3.25 percent.

18 Q. So that \$50,000 transfer was September 28th of 2012.
19 Then what happened on November 15th?

20 A. Bottom right-hand corner you will see a check
21 payable to Russell Laffitte in the amount of \$20,000 (sic)
22 disbursed from the Hannah Plyler conservatorship.

23 Q. 20,000?

24 A. I'm sorry, 25,000.

25 Q. Thank you. So this is a third loan from the -- to

1 the defendant from Hannah Plyler's conservatorship. What
2 were the terms of this loan?

3 A. This \$25,000 accrued interest at 2.5 percent, also
4 due and payable January 4th, 2013.

5 Q. So this loan is due the same day as the second loan
6 that we just talked about; is that right?

7 A. Yes, that's correct.

8 Q. Before we continue with these loans, I just want to
9 take a step back for a minute and talk about the three Plyler
10 loans we've seen so far. What does this chart show?

11 A. This is the same chart we saw earlier. It's a
12 detailed listing of all of the transfers from Hannah Plyler's
13 accounts and how those funds were spent as disbursed from
14 Russell Laffitte's account.

15 Q. So this is the defendant's SouthState Bank account
16 that we talked about earlier; is that right?

17 A. That's correct.

18 Q. Does this chart show all of the transactions in this
19 account during the relevant time period?

20 A. Yes, it does.

21 Q. So before this \$225,000 is taken from Hannah
22 Plyler's account and moved to the defendant's account, what
23 was his account balance?

24 A. \$76.97 is the balance that was carried since
25 December 7th, 2010.

1 Q. So on July 15th, the date of that transfer, what are
2 the other transactions that happen that same day?

3 A. So the first transaction there is the \$2,000 cash
4 back from the deposit. The next two transactions are to pay
5 off the two South Carolina Bank and Trust loans, one in the
6 amount of close to \$53,000, and the other one was just over
7 \$92,000.

8 Q. All right. July 18th, what's the next transaction?

9 A. That's a Capital One phone payment for approximately
10 \$13,669.

11 Q. What about the next transaction on July 20th?

12 A. The check was payable to cash and negotiated at
13 Palmetto State Bank for \$3,000.

14 Q. We are going to see on this slide and the next slide
15 a number of either cash withdrawals or checks payable to cash
16 between July 15th and May 21st of 2013. Did you tally up all
17 of those cash transactions?

18 A. I did.

19 Q. How much cash did those transactions involve?

20 A. \$36,300.

21 Q. All right. So the same day as this \$3,000 cash
22 transaction, what's the other payment that was made?

23 A. Epay FUSA revolving credit account for the just over
24 \$21,000.

25 Q. In the course of your investigation, did you learn

1 what FUSA is?

2 A. It's a revolving credit company.

3 Q. So now we are looking at -- this is the second and
4 third deposits. Before the \$50,000 transfer from Hannah
5 Plyler's conservatorship, what was the defendant's account
6 balance?

7 A. \$54.49.

8 Q. And then where did the bank statements reflect this
9 \$50,000 was spent?

10 A. On October 11th, 2012, there's a check payable to
11 Ala Glass in the amount of \$13,630. The check referenced
12 pool in the memo section. There's other checks and
13 disbursements for cash and RLL, which are Russell L.
14 Laffitte's initials.

15 Q. All right. And what about October 24th?

16 A. That's a second disbursement to Ala Glass for
17 \$17,445.

18 Q. On November 14th, the day before that \$25,000
19 transfer, what was the defendant's account balance?

20 A. \$3,589.49.

21 Q. And where did the bank statements reflect that
22 \$25,000 was spent?

23 A. There's additional disbursements for cash, Huber
24 Supply, Priester Enterprises, Stallion Air, Carolina
25 Counters.

1 Q. So by May 21st of 2013, what's the balance on this
2 account?

3 A. \$84.65.

4 Q. We are going to go back to the loans we were
5 discussing. We left off with third Plyler loan, which was a
6 November 15th transfer of \$25,000. What happened with that
7 loan on November 20th? And let's start with the check on the
8 right-hand side of the screen.

9 A. This is a check from the firm payable to Palmetto
10 State Bank in the amount of \$35,000. There was a deposit in
11 the amount of \$35,000 on the same day -- or, I'm sorry, the
12 next day, 11/21/12, to Hannah Plyler's conservatorship
13 account.

14 Q. So we have a November 15th \$25,000 loan, and then
15 this check dated November 20th. What does the memo field of
16 this check from the law firm to Palmetto State Bank say?

17 A. Arthur Badger personal representative fee.

18 Q. And the following day, \$35,000 is deposited into
19 Hannah Plyler's checking account; is that correct?

20 A. That's correct.

21 Q. Explain to the jury what the box on the left shows.

22 A. So this is just another portion of Russell's
23 accounting for the principal and interest applied to each of
24 those loans. This particular check, a portion was applied to
25 loan 92812 and a portion was applied to loan 111612.

1 Q. Okay. So \$25,000 of the 35,000 he credits toward
2 the November 2012 loan; is that right?

3 A. That's correct.

4 Q. And did he also calculate interest on that loan?

5 A. He did.

6 Q. What was the amount of that interest payment?

7 A. \$10.27.

8 Q. \$9,801.35 is credited towards the principal of the
9 \$50,000 September 2012 loan; is that correct?

10 A. Yes.

11 Q. Does he still owe a balance on that \$50,000 loan
12 from September?

13 A. Yes.

14 Q. The same day the defendant deposited that Badger PR
15 fee into Hannah Plyler's account, which you said was November
16 21st, what did he do with the balance of that \$50,000
17 September loan?

18 A. He considered the \$50,000 loan paid in full and
19 renewed the note for the difference of \$40,198.65.

20 Q. What are the terms of this loan renewal?

21 A. The interest rate on this renewal is 2 percent due
22 and payable November 21st, 2013.

23 Q. Does this note include an agreement to pay a late
24 fee for overdue payments?

25 A. No, it does not.

1 Q. Whose name is in the "paid to" line?

2 A. Hannah Plyler conservatorship.

3 Q. Does this loan include a default provision like some
4 of the earlier loans we looked at?

5 A. It does.

6 Q. When this loan was due on November 21st of 2013, did
7 the defendant pay off the \$40,000 -- \$40,198 balance?

8 A. No, he did not.

9 Q. Could the conservatorship, under that default
10 provision, have declared the balance due and payable?

11 A. Yes.

12 Q. Did it?

13 A. No.

14 Q. All right. Moving forward from that November 2012
15 loan renewal into February of 2014, what does this slide
16 show?

17 A. On the upper right-hand portion of the page, you see
18 a check written out of Russell Laffitte's account to Hannah
19 Plyler in the amount of \$1,201.02. It's deposited into her
20 conservatorship account on the left.

21 Q. So the check is dated February 19th of 2014. When
22 was it deposited?

23 A. December 30th, 2014.

24 Q. So with this interest check, what does the box on
25 the bottom right show in terms of the defendant's math of

1 repayment of the loan?

2 A. So \$198.65 of that payment was considered principal.
3 And the remaining \$1,002.37 was considered interest on that
4 loan.

5 Q. So the check is dated February 19th. It's not
6 deposited until December 30th. Earlier, you testified about
7 another interest check that was dated February 19th, 2014,
8 and not deposited until September. You testified that check
9 did not include interest that accrued between February and
10 December. What about this check? Does this interest
11 calculation take place as of the date the check was dated or
12 the date it was deposited?

13 A. The interest was calculated as of the date the check
14 was written.

15 Q. So does the check account for interest that accrued
16 between February and December when it actually was deposited
17 into Hannah Plyler's account?

18 A. No, it does not.

19 Q. In addition to paying the interest and the \$200
20 toward the principal of that November 2012 loan renewal, what
21 else did the defendant do on February 19th of 2014?

22 A. He renewed the account in the amount of \$40,000.

23 Q. So this is a second renewal of the same Plyler loan?

24 A. Yes, that's correct.

25 Q. All right. What are the terms of this loan renewal?

1 A. The \$40,000 earned interest at 1.5 percent and was
2 due February 19th, 2015.

3 Q. Does this note include an agreement to pay a late
4 fee for overdue payments?

5 A. It does not.

6 Q. Whose name is in the "paid to" line?

7 A. Hannah Plyler conservatorship.

8 Q. You indicated that the interest rate on this second
9 renewal is 1.5 percent. Do you recall what the interest
10 rates were on the original loan and then on the first
11 renewal?

12 A. May I consult my notes?

13 Q. Absolutely.

14 A. And this is the September 28th, 2012, promissory
15 note?

16 Q. Yes.

17 A. The original interest rate on the \$50,000 was 2.5
18 percent.

19 Q. What about on the first renewal, which was November
20 21st of 2012?

21 A. One moment, please. The renewal in the amount of
22 \$40,198.65 was renewed at 2 percent.

23 Q. So the interest rate has dropped with each renewal;
24 is that correct?

25 A. That's correct.

1 Q. When is this loan due?

2 A. February 19th, 2015.

3 Q. We will discuss the final payment on this loan in a
4 little bit. For now I want to move on to a fourth loan to
5 the defendant from the Plyler conservatorship. Explain this
6 fourth Plyler loan to the jury.

7 A. As you can see in the bottom left, on May 28th,
8 2013, this check was payable to cash in the amount of
9 \$10,000. And it was disbursed from Hannah Plyler's
10 conservatorship account.

11 Q. What are the terms of this note?

12 A. The \$10,000 earned interest at 2.25 percent and was
13 due and payable May 28th, 2014.

14 Q. All right. You indicated the interest rate on this
15 loan is 2.25 percent. What was the prime interest rate at
16 the time?

17 A. 3.25 percent.

18 Q. So that fourth loan was taken out on May 28th of
19 2013. I want to move forward about two weeks to June 14th of
20 2013. What does this slide show?

21 A. In the middle on the left side is a check from
22 Russell Laffitte's account payable to Hannah Plyler in the
23 amount of \$17.25. This check was deposited into Hannah
24 Plyler's conservatorship account on December 18th, 2013.

25 Q. So this loan was taken out on May 28th. And then on

1 June 14th of 2013, the defendant calculated interest; is that
2 right?

3 A. That's correct.

4 Q. What's the interest calculation? How much on
5 interest did he owe at that point?

6 A. \$17.25.

7 Q. All right. The check was dated June 14th of 2013.
8 When was it deposited?

9 A. December 18th, 2013.

10 Q. So does this calculation of \$17.25 in interest take
11 into account interest that accrued between June when the
12 check was dated and December when it was deposited?

13 A. No, it does not.

14 Q. In addition to paying this \$17.25 in interest on the
15 \$10,000 loan, what else did the defendant do on June 14th?

16 A. He considered this note for \$10,000 paid in full.

17 Q. So he renewed the loan; is that correct?

18 A. That's correct.

19 Q. What are the terms of this June 14th renewal of the
20 fourth Plyler loan?

21 A. As you can see on the left-hand side at the top, an
22 additional \$10,000 was disbursed from Hannah Plyler's
23 conservatorship account into Russell Laffitte's account on
24 June 14th, 2013. So the \$10,000 from the previous loan was
25 added to this \$10,000 to renew the note for a total of

1 \$20,000.

2 Q. What's the interest rate on this loan renewal?

3 MR. DANIEL: Your Honor, may we approach briefly?

4 THE COURT: I'm sorry?

5 MR. DANIEL: May we approach?

6 THE COURT: We will take a second.

7 (Whereupon, the following bench conference takes
8 place.)

9 MR. DANIEL: Judge, I thought she was reading off of
10 the screen. She's actually reading out of her notebook and,
11 evidently, her personal notes on these transactions and not
12 just relying on what's relied on the screen.

13 MS. STOUGHTON: She's got her copy of the notes.
14 You are welcome to review them.

15 MR. DANIEL: You are going to give us a copy of
16 those notes?

17 MS. STOUGHTON: We've turned all of her notes over,
18 the personal notes, but you are welcome to look at them.

19 THE COURT: Very good.

20 (Whereupon, the bench conference ends.)

21 THE COURT: Ms. Stoughton, please continue your
22 direct.

23 BY MS. STOUGHTON:

24 Q. So we are on the June 14th renewal of this fourth
25 Plyler loan. You indicated the interest rate was 2.25

1 percent. What was the prime interest rate at the time?

2 A. 3.25 percent.

3 Q. So when this additional \$10,000 was transferred from
4 the Plyler conservatorship to the defendant, what was the
5 defendant's account balance?

6 A. \$171.14.

7 Q. Let's fast-forward from June of 2013 to December of
8 2013. What does this slide show?

9 A. On the left-hand side, it is Hannah Plyler's
10 account, and indicates on December 27th, 2013, \$25,000 was
11 transferred out of this account and into Russell Laffitte's
12 account as entered on the right-hand side of the screen.

13 Q. So this is a fifth loan from Hannah Plyler's
14 conservatorship to the defendant. Is there a promissory note
15 associated with this \$25,000 transfer?

16 A. No.

17 Q. Was there a set interest rate for this loan?

18 A. No.

19 Q. Was there a due date?

20 A. No.

21 Q. Was there any collateral?

22 A. No.

23 Q. Is there any statement of the conservatorship's
24 rights in the event the loan was defaulted on?

25 A. No.

1 Q. When this \$25,000 was taken from the Plyler
2 conservatorship and put in the defendant's bank account, what
3 was the defendant's account balance?

4 A. \$28.69.

5 Q. Was this the final transfer from the Plyler
6 conservatorship to Russell Laffitte?

7 A. Yes.

8 Q. I want to change gears a little bit and talk about
9 how this money got paid back. We saw this slide earlier.
10 But could you just at a high level remind the jury what we
11 are looking at on slide 40?

12 A. So the date of the transactions is on the far left
13 and across the top. The loan number corresponds to the date
14 of the transfer. So, for example, loan 71811 corresponds to
15 July 18th, 2011. And principal and interest was allocated
16 for each of these loans as noted in the spreadsheet.

17 Q. So what does this chart show?

18 A. This is a summary that I prepared based on the
19 previous spreadsheet prepared by Russell Laffitte that
20 summarizes the loan number at the top and the balance on each
21 one of those transfers on that first line.

22 Q. Okay. That line two says: Balance of transfer at
23 April 20th of 2015 when deposited. Explain the significance
24 of that date to the jury.

25 A. So April 20th, 2015, is when the total of \$240,000

1 balance was considered paid in full.

2 Q. What is this check from John Parker shown on this
3 slide?

4 A. This shows a check drawn on the account of John E.
5 Parker and payable to Russell Laffitte in the amount of
6 \$245,000. And the corresponding deposit ticket for that
7 check is noted as deposited to Hannah Plyler's checking
8 account in the same amount.

9 Q. Is that entire \$245,000 from John Parker deposited
10 into Hannah Plyler's account?

11 A. Yes, it is.

12 Q. I want to go back to your summary chart. April 20th
13 of 2015, when that Parker loan was received, what was the
14 outstanding balance of each of the loans as shown on line two
15 of your chart?

16 A. The 71511 had a balance of \$175,000. The 92812
17 transfer had a balance of \$40,000. The 61413 transfer had a
18 balance of \$20,000. And the 122713 had a balance of \$25,000.

19 Q. So the Parker loan is used to pay off those first
20 three loans in full; is that correct?

21 A. Not in full.

22 Q. For the first three loans?

23 A. I'm sorry, for the first three loans, yes.

24 Q. How much is remaining on the fourth loan?

25 A. \$15,000.

1 Q. In addition to that \$15,000 in principal, did the
2 defendant owe interest on these four loans?

3 A. Yes, he did.

4 MR. DANIEL: I'm sorry. I couldn't hear the answer.

5 THE WITNESS: Yes, he did.

6 MR. DANIEL: Okay. Thank you.

7 BY MS. STOUGHTON:

8 Q. What was the total amount of interest that he
9 calculated he owed on those loans?

10 A. 195 --

11 Q. The interest payment.

12 A. The total interest calculated? I'm sorry. The
13 total interest calculated was \$4,537.29.

14 Q. Okay. So what was the total that he owed in
15 principal and interest?

16 A. \$249,537.29.

17 Q. So after this \$245,000 loan is applied, he's got a
18 \$15,000 outstanding principal balance. And then he
19 calculated \$4,537.20 in interest. How much in total does he
20 still owe after getting the Parker loan?

21 A. \$19,537.29.

22 Q. How did he pay that remaining \$19,537.29?

23 A. Using the application of conservator fees that he
24 did not take from the Hannah Plyler's conservatorship.

25 Q. So the total amount of conservator fees not taken

1 was \$19,799.94; is that correct?

2 A. That's correct.

3 Q. So he applied that to his outstanding balance.

4 Where did that leave him?

5 A. It left him with an overpayment of \$262.65.

6 Q. The June 14th, 2013, loan, you testified earlier
7 that that loan was due June 14th of 2014. It was paid off
8 with this Parker loan in April of 2015; is that correct?

9 A. Yes, that's correct.

10 Q. Did his repayment of the loan, principal and
11 interest, include the 5 percent late fee he agreed to for
12 overdue payments?

13 A. No, it did not.

14 Q. All right. In addition to analyzing the loans that
15 the defendant took from the Plyler conservatorship, were you
16 also asked to analyze loans that he extended to Alex Murdaugh
17 from conservatorships?

18 A. Yes.

19 Q. We are going to pull up Government's Exhibit 176,
20 which has also already been admitted into evidence. At a
21 high level, what does this document show the jury?

22 A. This is a similar spreadsheet prepared by Russell
23 Laffitte that shows the loan number across the top and the
24 date of the transaction down the left-hand side. And it
25 breaks out the principal and interest calculated for each one

1 of those transfers.

2 Q. Did you review and rely on this document when you
3 conducted your analysis in this case?

4 A. I did.

5 Q. I want to talk about the substance of these loans to
6 Murdaugh from the Plyler conservatorship.

7 MS. STOUGHTON: Can we pull up Government's Exhibit
8 189, which is also in evidence.

9 BY MS. STOUGHTON:

10 Q. So we are starting on September 14th of 2011. What
11 does this slide show?

12 A. In the bottom left-hand corner, you will see a check
13 payable to Alex Murdaugh in the amount of \$90,000 dated
14 September 14th, 2011. And you see that check clearing Hannah
15 Plyler's conservatorship account on September 14th, 2011, and
16 being deposited on the right-hand side to Alex Murdaugh's
17 account.

18 Q. When this \$90,000 is taken out of Hannah Plyler's
19 money market account, how much money is left?

20 A. \$2,227.87.

21 Q. What were the terms of this September 14th loan?

22 A. The \$90,000 was due with interest at 5 percent on
23 December 31st, 2011.

24 Q. Whose name is in the "paid to" line of this
25 promissory note?

1 A. Russell Laffitte as conservator for Hannah Plyler.

2 Q. Was that consistent with the name in the "paid to"
3 line of the loans that the defendant took for himself from
4 the Hannah Plyler conservatorship?

5 A. No, it's not.

6 Q. What did those loans say in the "paid to" line?

7 A. Hannah Plyler conservatorship.

8 Q. Did this note indicate there's any collateral for
9 this loan?

10 A. No.

11 Q. And when is the loan due?

12 A. December 31st, 2011.

13 Q. Before this \$90,000 is taken out of Hannah Plyler's
14 account and moved to Alex Murdaugh's, what was Murdaugh's
15 balance in this account?

16 A. Negative \$3,950.88.

17 Q. After this \$90,000 deposit, how long was it before
18 Murdaugh was in overdraft again?

19 A. Just over one month.

20 Q. So that was September 14th that that \$90,000 loan
21 was extended. What happened on November 18th of 2011?

22 A. In the bottom left-hand corner, a check was
23 disbursed to Alex Murdaugh in the amount of \$40,000 from
24 Malik Williams's conservatorship account. You see that check
25 cleared his account on the same day and was deposited to Alex

1 Murdaugh's account on the right.

2 Q. After that \$40,000 was taken out of Malik Williams's
3 conservatorship and moved to Murdaugh's account how much
4 money was left in the conservatorship?

5 A. \$2,086.85.

6 Q. What were the terms of this loan from Malik Williams
7 conservatorship?

8 A. The \$40,000 was due with interest at 4.5 percent,
9 also on December 31st, 2011.

10 Q. Does this note indicate there's any collateral for
11 this loan?

12 A. No.

13 Q. All right. That \$40,000 was moved into Murdaugh's
14 account from Malik Williams's conservatorship on November
15 18th. What is Murdaugh's account balance about a month later
16 on December 12th?

17 A. \$399.19.

18 Q. Two days after we see that \$399 balance, on December
19 14th what happens?

20 A. In the bottom left, this check is payable to Alex
21 Murdaugh in the amount of \$50,000. And you can see that
22 check clearing just above it, Hannah Plyler's conservatorship
23 account. And then on the right you can see it deposited into
24 Alex Murdaugh's account.

25 Q. So this is a second loan to Murdaugh from the Plyler

1 conservatorship; is that correct?

2 A. That's correct.

3 Q. What were the terms of this loan?

4 A. This \$50,000 was due and payable with interest at 4
5 1/2 percent also on December 31st, 2011.

6 Q. Does this note indicate there's any collateral for
7 this loan?

8 A. No.

9 Q. So that \$50,000 was deposited, you said, on December
10 14th. What happens when we get to December 21st of 2011?
11 And I want to start with the checks on the top and bottom of
12 the left side.

13 A. So these two checks combined total approximately
14 \$635,000. They are drawn on the account of the firm. They
15 are dated approximately December 20th, 2011. And they are
16 converted into the items that are remaining on the page.

17 Q. Okay. So you said the check is from the firm. The
18 checks are from the firm. Who are the two checks made out
19 to?

20 A. Palmetto State Bank.

21 Q. And what do the memo lines say?

22 A. The one on top references settlement proceeds,
23 Hakeem L. Pinckney. The one on the bottom left references
24 settlement proceeds, Natasha Thomas.

25 Q. So these two checks come in. And then where does

1 the \$634,000 go? And let's start with this money order over
2 here in the middle.

3 A. So this money order is payable to Randolph Murdaugh
4 III in the amount of \$329,500.

5 Q. Who is Randolph Murdaugh III?

6 A. Alex Murdaugh's father.

7 Q. Let's go to the top of the middle column.

8 A. This money order in the amount of \$100,000 is
9 payable to Charles A. Laffitte, Jr.

10 Q. Who signed that money order?

11 A. Russell L. Laffitte.

12 Q. Who is Charles Laffitte, Jr.?

13 A. Russell Laffitte's father.

14 Q. Will you just keep moving down the middle column,
15 please.

16 A. Next bank money order in the amount of \$9,500 is
17 payable to cash.

18 Q. And who signed that money order?

19 A. Russell L. Laffitte.

20 Q. What about the next one?

21 A. Payable to R. Laffitte, as conservator for Malik
22 Williams, in the amount of \$40,167.69.

23 Q. Who signed that money order?

24 A. Russell L. Laffitte.

25 Q. What about the one on the bottom of the middle

1 column?

2 A. Payable to R. Laffitte as conservator for Hannah
3 Plyler in the amount of \$50,135.61.

4 Q. And who signed that money order?

5 A. Russell L. Laffitte.

6 Q. Let's move to the top of the right-hand side. What
7 is the disbursed money order?

8 A. It's payable to R. Laffitte as conservator for
9 Hannah Plyler in the amount of \$91,220.57.

10 Q. What about the checking deposit slip below that?

11 A. It's deposited to the account of Margaret Murdaugh
12 in the amount of \$10,000.

13 Q. Who is Margaret Murdaugh?

14 A. Alex Murdaugh's wife.

15 Q. And then what about the two loan system slips that
16 you've got at the bottom?

17 A. So those two transactions credit the loan accounts
18 of Alex Murdaugh, Murdaugh Charters.

19 Q. So all of these money orders are dated December 21st
20 of 2011. And you said three of them are going to Mr.
21 Laffitte as conservator for two different conservatorships.
22 Let's talk about how those money orders were used to repay
23 Mr. Murdaugh's outstanding Plyler loans. So starting with
24 the first loan to Murdaugh, which was September of 2011, a
25 \$90,000 loan, what does this slide show in terms of

1 repayment?

2 A. This shows that the money order in the top left was
3 applied to pay that promissory note off. And it was
4 deposited into Hannah Plyler's conservatorship account on
5 December 23rd, 2011.

6 Q. What about the Malik Williams's loan, what does this
7 slide show?

8 A. The bank money order on the bottom left-hand
9 section, payable to R. Laffitte as conservator for Malik
10 Williams, was deposited into Malik Williams's conservatorship
11 account on December 23rd, 2011.

12 Q. All right. And then what about the second Plyler
13 loan, what does this slide show?

14 A. This bank money order was also deposited into Hannah
15 Plyler's conservatorship account on December 23rd, 2011.

16 Q. So these first three loans that we talked about,
17 they were all due on December 31st; is that correct?

18 A. Yes.

19 Q. So by their maturity date, had Mr. Murdaugh paid
20 back all three of these loans using the Pinckney/Thomas
21 settlement funds?

22 A. Yes.

23 Q. All right. So moving forward from December 2011,
24 when the Pinckney/Thomas money was used to pay off those
25 first three loans, we are now at December 11th of 2012. What

1 does this slide show?

2 A. On September 11th, 2012, \$100,000 was disbursed from
3 Hannah Plyler's conservatorship account and deposited into
4 Alex Murdaugh's account.

5 Q. So this is a third loan from Hannah Plyler's
6 conservatorship; is that correct?

7 A. Fourth.

8 Q. It's the fourth overall?

9 A. Yes.

10 Q. Right.

11 A. You are right.

12 Q. What were the terms of this loan?

13 A. The \$100,000 was due with interest at a rate of 3
14 percent due and payable December 31st, 2012.

15 Q. Does this note include an agreement to pay a late
16 fee for overdue payments?

17 A. It does.

18 Q. You indicated the interest rate is 3 percent. What
19 was the prime interest rate at the time of this loan?

20 A. 3.25 percent.

21 Q. When will this loan become due?

22 A. December 31st, 2012.

23 Q. So before that \$100,000 is taken out of Hannah
24 Plyler's conservatorship and put into Murdaugh's account,
25 what was Murdaugh's balance in this account?

1 A. Negative \$352.97.

2 Q. And then how long after that September 11th,
3 \$100,000 transfer is it before Mr. Murdaugh is in overdraft
4 again?

5 A. Just over one month.

6 Q. So we see on this slide, excuse me, October 17th,
7 Mr. Murdaugh is back in overdraft. What happens on October
8 23rd of 2012?

9 A. \$50,000 is transferred from Hannah Plyler's money
10 market account to her checking account. After it was
11 transferred to her checking account, the check in the bottom
12 left corner of your screen in the amount of \$50,000 was
13 disbursed to Alex Murdaugh and deposited into his account.

14 Q. So a fourth loan from Hannah Plyler's
15 conservatorship to Murdaugh, what were the terms of this
16 \$50,000 loan?

17 A. This \$50,000 was due with interest at a rate of 3
18 percent also on December 31st, 2012.

19 Q. Does this note indicate there's any collateral for
20 this loan?

21 A. No, it does not.

22 Q. All right. And here you said the interest rate is 3
23 percent. What was the prime interest rate at the time?

24 A. 3.25 percent.

25 Q. And when did you say this loan will come due?

1 A. December 31st, 2012.

2 Q. So are this loan and the previous loan both due at
3 the end of 2012?

4 A. Yes, that's correct.

5 Q. Before this \$50,000 is transferred from Hannah
6 Plyler's account to Murdaugh's account on October 23rd, what
7 was Murdaugh's balance in this account?

8 A. Negative \$26,229.34.

9 Q. How long was it before he was in overdraft again?

10 A. Just over one week.

11 Q. So this is Murdaugh account that ends in 6092. You
12 said that it overdrafted again. That was November 1st of
13 2012. What happened on November 2nd and 6th of 2012?

14 A. The two checks on the left were disbursed to Alex
15 Murdaugh in the amount of \$5,000 and \$8,500.

16 Q. These are fifth and sixth transfers from Hannah
17 Plyler's conservatorship to Murdaugh; is that correct?

18 A. Yes, that's correct.

19 Q. Were there promissory notes associated with these
20 transfers?

21 A. No, there was not.

22 Q. Was there a set interest rate?

23 A. No.

24 Q. Was there a due date?

25 A. No due date.

1 Q. Was there any collateral?

2 A. No collateral.

3 Q. So this is November 2nd and 6th. What happens when
4 we get to November 15th of 2012?

5 A. On the left-hand side of the screen, you see \$13,500
6 was taken out of Alex Murdaugh's account on November 15th,
7 2012, and transferred back into Hannah Plyler's account on
8 the right-hand side.

9 Q. So the \$13,500 is transferred back to Hannah
10 Plyler's account. Did that repayment include interest?

11 A. No.

12 Q. So we are in November of 2012, and the third and
13 fourth Plyler loans you testified are coming due at the end
14 of December. Did Mr. Murdaugh make payments on those loans
15 by December 31st when they matured?

16 A. No, he did not.

17 Q. So December 31st comes and goes. We are going to
18 fast-forward to February of 2013. What does this slide show?
19 And let's start in the bottom right-hand corner.

20 A. In the bottom right-hand corner is a check drawn on
21 the account of the firm, payable to Palmetto State Bank, in
22 the amount of \$151,726.05. This check was deposited into
23 Hannah Plyler's conservatorship account on --

24 Q. What does the memo line of that check say?

25 A. Arthur Badger.

1 Q. Would you explain the box in the middle of this
2 screen at the top to the jury?

3 A. This is Russell Laffitte's accounting for how that
4 payment was applied to the 91112 loans -- I'm sorry, the
5 91112 and 102312 loans due from Alex Murdaugh.

6 Q. So this entire \$151,726.05 goes into Hannah Plyler's
7 account, correct?

8 A. Yes.

9 Q. Does that pay off Mr. Murdaugh's outstanding
10 September and October loans in full?

11 A. Yes, it does.

12 Q. You testified those loans were due on December 31st
13 of 2012. When they were paid off in February of 2013, was
14 the agreed-upon 5 percent late fee included in that payment?

15 A. No, it was not.

16 Q. What happened later on February 12th, the same day
17 that those two loans were paid back?

18 A. \$150,000 was disbursed to Alex Murdaugh in a series
19 of transactions that started with \$120,000 being transferred
20 from Hannah's money market account to her checking account.
21 After the \$120,000 got into her checking account, check No.
22 1048 in the amount of \$150,000 was disbursed to Alex Murdaugh
23 and deposited into his checking account.

24 Q. So February 12th of 2013, the Badger check is used
25 to pay off the outstanding September and October loans. But

1 then the same day, a seventh Plyler loan is extended; is that
2 correct?

3 A. That's correct.

4 Q. What were the terms of this new \$150,000 loan?

5 A. \$150,000 is due with interest at a rate of 3.75
6 percent on February 12th, 2014.

7 Q. Does this note indicate there's any collateral for
8 this loan?

9 A. No, it does not.

10 Q. All right. Before this \$150,000 is transferred from
11 Hannah Plyler's conservatorship into Mr. Murdaugh's account,
12 what was his account balance?

13 A. Negative \$115,492.04.

14 Q. After that \$150,000 deposit, how long was it before
15 Mr. Murdaugh was in overdraft again?

16 A. Two weeks.

17 Q. All right. What happens with this \$150,000 loan
18 when we get to July of 2013?

19 A. It's renewed for the difference of \$80,000.

20 Q. What were the terms of this \$80,000 renewal?

21 A. It's due with an interest rate of 3.75 percent on
22 February 12th, 2014.

23 Q. So it's a February loan that he's renewed in July,
24 but the due date doesn't change; is that correct?

25 A. That's correct.

1 Q. All right. Does this note indicate there's any
2 collateral for the loan?

3 A. No collateral.

4 Q. So he's renewed the loan at \$80,000. What happened
5 to the other \$70,000 of that \$150,000 loan?

6 A. So \$72,342.47 was transferred from Richard Alexander
7 Murdaugh's account to Hannah Laffitte's (sic) account on July
8 15th, 2013.

9 Q. Explain the box in the bottom right-hand side to the
10 jury.

11 A. This is Russell's accounting for how the principal
12 and interest for that particular transfer were applied to the
13 loan outstanding balance.

14 Q. So when Mr. Murdaugh paid that \$70,000 in principal
15 and the \$2,342 in interest, what was his remaining account
16 balance?

17 A. \$80,000.

18 Q. That was their remaining balance on the loan. What
19 was the remaining balance in his checking account ending in
20 6092?

21 A. My apologies. It's a negative \$2,381.65.

22 Q. All right. Let's move forward a couple of weeks to
23 July 29th of 2013. What does this slide show?

24 A. On July 29th, 2013, a transfer in the amount of
25 \$100,000 was conducted from Hannah Plyler's conservatorship

1 account to Murdaugh's checking account.

2 Q. So an eighth transfer from Plyler's conservatorship
3 to Murdaugh. What were the terms of this loan?

4 A. This loan earned interest at 3.75 percent and it was
5 due July 29th, 2014.

6 Q. Does this note indicate there's any collateral for
7 this loan?

8 A. There is no collateral.

9 Q. Before the \$100,000 from Hannah Plyler's account hit
10 Mr. Murdaugh's account, what was his account balance?

11 A. Negative \$16,411.

12 Q. And then after that \$100,000 deposit, how long was
13 it before he was in overdraft again?

14 A. Approximately one month and a half.

15 Q. So at the bottom here, we've got a September 16th,
16 2013, overdraft. What happened just before that on September
17 13th of 2013? And let's start with a check on the bottom
18 right-hand side of the screen.

19 A. This is a check that's drawn on the account of the
20 firm payable to Palmetto State Bank in the amount of
21 \$33,789.83. And it's deposited into Hannah Plyler's
22 conservatorship account on September 13th, 2013.

23 Q. What does the memo line of that \$33,000 check state?

24 A. Estate of Donna Badger.

25 Q. So that money goes into Hannah's conservatorship

1 account. What does the box on the top left show? Explain
2 that math to the jury.

3 A. This is Russell's accounting for how this check was
4 applied to the 72913 transfer, 25,000 and some change to the
5 principal, and 48289 for interest on that particular
6 transfer.

7 Q. So there's a principal payment and interest. Did
8 that amount account for the entire \$33,000 that was deposited
9 in the Hannah Plyler's conservatorship?

10 A. No, it did not.

11 Q. So what happened to the difference?

12 A. On the same day, just below that deposit, on the
13 bank statement you can see a disbursement in the amount of
14 \$8,000. And the memo on the checking withdrawal slip stated
15 charged to Alex for payments.

16 Q. So did the whole \$33,789 go into Hannah Plyler's
17 conservatorship account?

18 A. No, it did not.

19 Q. Did the whole amount get deposited into the account?

20 A. Yes. Yes. The full amount was deposited into her
21 account.

22 Q. And then \$8,000 came out back to Mr. Murdaugh?

23 A. Yes, that's correct.

24 Q. Let's move forward from September 13th to December
25 27th of 2013. What does this slide show?

1 A. On September 27th, 2013, \$40,000 was transferred
2 from Hannah Plyler's account to Murdaugh's account.

3 Q. So this is a ninth transfer from Hannah Plyler's
4 conservatorship to Murdaugh. What were the terms of this
5 \$40,000 loan?

6 A. The promissory note bore interest at 3.75 percent
7 and was due September 27th, 2014.

8 Q. Does this note indicate there's any collateral for
9 this loan?

10 A. There's no collateral noted.

11 Q. Before that \$40,000 was taken from Hannah Plyler's
12 account and put into Alex Murdaugh's, what was Murdaugh's
13 account balance?

14 A. Negative \$27,450.36.

15 Q. And then after that September 27th, \$40,000 deposit,
16 how long was it before Murdaugh was in overdraft again?

17 A. Just under two weeks.

18 Q. Let's move forward from September 27th to October
19 3rd of 2013. What does this slide show? I want to start
20 with the check in the middle at the top.

21 A. This is a check drawn on the account of the firm
22 payable to Palmetto State Bank in the amount of \$101,000 --
23 \$101,269.43 -- or 49 cents. Sorry.

24 Q. So the check is from the firm. Who's it made out
25 to?

1 A. Palmetto State Bank.

2 Q. And what's the date of the check?

3 A. September 13th, 2013.

4 Q. And then what's in the memo line?

5 A. Estate of Donna Badger.

6 Q. We are going to come back to this a little bit
7 later, but what's the check number on this check from the law
8 firm?

9 A. 45026.

10 Q. So there's a \$101,000 check from the firm dated
11 September 13th with estate of Donna Badger in the memo line.
12 What happens to that check?

13 A. So on the right, you see this check was converted
14 into two bank money orders, one payable to Margaret Murdaugh
15 in the amount of \$7,500, and the second bank money order
16 payable to Hannah Plyler in the amount of \$93,869.49.

17 Q. On the money order, whose initials are these?

18 A. RLL is Russell L. Laffitte.

19 Q. And then on the bottom money order, whose signature
20 is that?

21 A. Russell L. Laffitte.

22 Q. So this \$93,869 check to Hannah Plyler, where did
23 that check go?

24 A. It was deposited into her money market account on
25 October 18th, 2013.

1 Q. And then the boxes on the top left, will you explain
2 the math there to the jury?

3 A. So this is Russell's accounting for how that payment
4 of 93,000 was applied to the principal and interest for the
5 loan 21213 and loan 92713.

6 Q. So we've paid off the September 2013 loan, correct?

7 A. Yes.

8 Q. And then on February 2013, there's a principal
9 payment and an interest payment; is that right?

10 A. That's correct.

11 Q. So still on October 3rd, the date that that check
12 went into Hannah Plyler's account, what happened to the
13 remaining balance of that February 2013 loan?

14 A. The note was renewed for the difference of
15 \$26,841.54.

16 Q. What are the terms of this loan renewal?

17 A. The interest rate is 3.75 percent. And it's due
18 October 3rd, 2014.

19 Q. Is there any indication that this loan is secured by
20 collateral?

21 A. No, no indication.

22 Q. Let's move forward from October 3rd to October 23rd
23 of 2013. What does this slide show?

24 A. On October 23rd, 2013, \$70,000 was transferred out
25 of Hannah Plyler's account and into Maggie or Margaret

1 Murdaugh's account. And it was further transferred out of
2 Margaret Murdaugh's account to Alex Murdaugh's account.

3 Q. So a tenth transfer from Hannah Plyler to Alex
4 Murdaugh, what were the terms of this October 23rd loan?

5 A. The \$70,000 transfer earned interest at 3.75
6 percent, and it was due and payable October 3rd, 2014.

7 Q. Does this note indicate there's any collateral for
8 this loan?

9 A. No.

10 Q. Before that \$70,000 is taken out of Hannah Plyler's
11 account and put in Alex Murdaugh's, what was Murdaugh's
12 account balance?

13 A. Negative \$64,708.95.

14 Q. And then after that October 23rd \$70,000 deposit,
15 how long was it before Mr. Murdaugh was in overdraft again?

16 A. Approximately one week.

17 Q. This is an October 23rd loan. What happens five
18 days later, on October 28th? And let's start with the check
19 on the bottom right.

20 A. This check is drawn on the account of the firm.
21 It's payable to Palmetto State Bank in the amount of
22 \$101,369.49.

23 Q. And what does the memo line of that check say?

24 A. Estate of Donna Badger.

25 Q. What's the date of that check?

1 A. September 13th, 2013.

2 Q. Earlier you testified about an October 18th payment
3 to Hannah Plyler. It came from a check from the firm to the
4 bank with the same date in the same amount. And it also said
5 estate of Donna Badger in the memo line. Is this the same
6 check you talked about earlier with the October 18th payment?

7 A. No, it's a different check.

8 Q. What's the number on this check?

9 A. 45028.

10 Q. So what happens to this check on October 28th?

11 A. This check was deposited in full to Hannah Plyler's
12 conservatorship account.

13 Q. And then what happened?

14 A. \$4,395.05 was taken out of her account. And the
15 checking withdrawal slip referenced "Refund overpayment by
16 A.M."

17 Q. All right. The box on the top left, will you
18 explain that math to the jury?

19 Yes. This is Russell Laffitte's accounting for the
20 \$101,000 check being applied to loan 21213, \$10 applied to
21 loan 72913, and, \$70,043.14 applied to 102313.

22 Q. This 102313 loan, that's paid off in full using this
23 Badger check; is that correct?

24 A. That's correct.

25 Q. Then what happens on October 5th of 2013?

1 A. On November 5th, 2013, \$50,000 was transferred out
2 of Hannah Plyler's account. It was split into two different
3 transactions. \$25,000 went into Alex Murdaugh's farm
4 account. And the remaining \$25,000 went into his checking
5 account.

6 Q. So this is an eleventh transfer from Hannah Plyler's
7 conservatorship to Alex Murdaugh. What were the terms of
8 this loan?

9 A. This \$50,000 was due with interest at 3.75 percent
10 November 5th, 2014.

11 Q. Does this note include an agreement to pay a late
12 fee for any overdue payments?

13 A. It does.

14 Q. Is there a default provision in this note?

15 A. Yes.

16 Q. Would you read it to the jury, please?

17 A. "In the event of failure to pay any installment when
18 due, the holder hereof may declare the entire balance due and
19 payable."

20 Q. Does this note indicate there's any collateral for
21 this loan?

22 A. No collateral noted.

23 Q. You testified that half of this \$50,000 went into
24 one of Murdaugh's personal accounts, and half went into the
25 farm account. In the personal account, which is on top, what

1 was Mr. Murdaugh's account balance before that \$25,000
2 transfer?

3 A. Negative \$6,098.50.

4 Q. After that November 5th deposit, how long was it
5 before the personal account was in overdraft again?

6 A. Three days.

7 Q. Before the \$25,000 into the farm account, what was
8 the balance on that account?

9 A. Negative \$13,083.21.

10 Q. How long was it before the farm account was in
11 overdraft again?

12 A. Just over one month.

13 Q. All right. So jumping from that November 5th,
14 \$50,000 loan to December 6th of 2013, what does this slide
15 show?

16 A. On December 6th, 2013, \$100,000 was transferred from
17 Hannah Plyler's account to Alex Murdaugh's checking account.

18 Q. So a 12th transfer from Hannah Plyler's
19 conservatorship to Murdaugh. What were the terms of this
20 \$100,000 loan?

21 A. The loan was due with interest at 3.5 percent, due
22 and payable December 6th, 2014.

23 Q. I'm sorry. What was the interest rate?

24 A. 3.75 percent.

25 Q. Does this note indicate there's any collateral for

1 this loan?

2 A. No.

3 Q. Before that \$100,000 is taken out of Hannah Plyler's
4 account and moved into Murdaugh's, what was Murdaugh's
5 account balance?

6 A. Negative \$40,403.20.

7 Q. After that December 6th, \$100,000 transfer, how long
8 was it before this account was in overdraft again?

9 A. One month.

10 Q. Still in December of 2013, that \$100,000 transfer
11 you said was on December 6th. What happens on December 18th?
12 And let's start with the check on the bottom right.

13 A. This is a check drawn on the account of the firm,
14 check's payable to Palmetto State Bank in the amount of
15 \$101,369.49. It's deposited into Hannah Plyler's
16 conservatorship account.

17 Q. What's the date of this check from the law firm to
18 Palmetto State Bank?

19 A. September 13th, 2013.

20 Q. And what does the memo line of that check say?

21 A. Estate of Donna Badger.

22 Q. So this is the third time you talked about a check
23 from the firm to the bank on September 13th in this amount
24 with the estate of Donna Badger in the memo line. Is this
25 check the same as either of the two checks you talked about

1 previously?

2 A. No, it's different.

3 Q. What's the check number on this check?

4 A. 45027.

5 Q. So on December 18th, what happens with this
6 September 13th Donna Badger check?

7 A. It's deposited into Hannah Plyler's conservatorship
8 account.

9 Q. On the top left, would you explain that math to the
10 jury?

11 A. This is Russell Laffitte's accounting for how this
12 check was applied to the 11513 and 12613 transfers.

13 Q. So the \$10,000 loan from Hannah Plyler on December
14 6th, was that paid off in full on December 18th?

15 A. Yes.

16 Q. What was the interest calculation on that loan?

17 A. \$133.51.

18 Q. Let's jump from December 13th to March of 2014.

19 What does this slide show?

20 A. On March 28th, 2014, \$100,000 was transferred out of
21 Hannah Plyler's conservatorship account to Alex Murdaugh's
22 farm account. From there, \$75,000 was transferred out of the
23 farm account to Alex Murdaugh's checking account.

24 Q. So this is a 13th transfer from Hannah Plyler's
25 conservatorship to Murdaugh. Was there a promissory note

1 associated with this loan?

2 A. No promissory note.

3 Q. Was there a set interest rate?

4 A. No.

5 Q. Was there a due date?

6 A. There was no due date.

7 Q. Was there any collateral for the loan?

8 A. There was no collateral.

9 Q. Before that \$100,000 is taken out of Hannah Plyler's
10 account and moved to Murdaugh's farm account, what was the
11 balance in that account?

12 A. Negative \$16,482.10.

13 Q. After that March 28th transfer, how long was it
14 before the farm account was in overdraft again?

15 A. It's approximately two weeks.

16 Q. All right. You testified that \$75,000 of the
17 \$100,000 was moved from the farm account to Murdaugh's
18 personal account. At the time of that transfer, what was the
19 balance in the personal account?

20 A. Negative \$14,933.25.

21 Q. And after that March 28th \$75,000 transfer, how long
22 was it before his personal account was in overdraft again?

23 A. Approximately one month.

24 Q. Fast-forward a little bit from this March 28th
25 transfer to May 6th of 2014. What does this slide show?

1 A. On May 6th, 2014, \$50,000 was transferred from
2 Hannah Plyler's conservatorship account to Alex Murdaugh's
3 checking account.

4 Q. This is the 14th transfer from Hannah Plyler to Alex
5 Murdaugh. Was there a promissory note associated with this
6 transfer?

7 A. No.

8 Q. Was there a set interest rate?

9 A. No.

10 Q. Was there a due date?

11 A. No.

12 Q. Was there any collateral for the loan?

13 A. No collateral.

14 Q. Before that \$50,000 is moved from Hannah Plyler's
15 account to Alex Murdaugh, what was Murdaugh's account
16 balance?

17 A. Negative \$18,399.97.

18 Q. After that May 6th transfer, how long was it before
19 Murdaugh was back in overdraft?

20 A. Approximately one weeks.

21 Q. Is this the final loan from Murdaugh to the Hannah
22 Plyler's conservatorship?

23 A. Yes, it is.

24 Q. I said that backwards. All right. We saw this
25 earlier. But at a high level, will you remind the jury what

1 this slide shows?

2 A. So this spreadsheet pertains to Alex Murdaugh's
3 loans. On the left-hand side is the date of the transaction.
4 Across the top, the loan number corresponds to the date the
5 transfer took place. It also details the amount of principal
6 and interest that was applied for each of those transfers.

7 Q. What is this slide?

8 A. This is just the second page of that accounting.
9 There was one note on the left-hand side for loan 5614. And
10 the other are just calculator tabulations of the interest
11 that's due.

12 Q. We saw a similar slide with respect to the loans
13 that the defendant took from Hannah Plyler's conservatorship.
14 Is this your summary of the slides that we just looked at?

15 A. That's correct.

16 Q. So as of March 23rd of 2015, how much did Mr.
17 Murdaugh still owe in loan principal to Hannah Plyler's
18 conservatorship?

19 A. \$273,683.11.

20 Q. And did he owe interest on those loans as well?

21 A. He did.

22 Q. As of February 20th of 2015, how much interest did
23 the defendant calculate Mr. Murdaugh owed on those loans?

24 A. \$11,104.41.

25 Q. What was the total amount of principal and interest

1 owed on these loans?

2 A. \$284,787.52.

3 Q. How did Murdaugh pay off this \$284,000?

4 A. He received a principal advance on February 20th,
5 2015, in the amount of \$284,787.52 that was used to apply to
6 the balance of the loans.

7 Q. So this is from a line of credit at the bank?

8 A. That's correct.

9 Q. Did that transfer from the line of credit pay off
10 all of Murdaugh's remaining loans from the Plyler
11 conservatorship?

12 A. Yes, it did.

13 Q. So this principal advance is dated February 20th of
14 2015. But when was this money deposited into Hannah Plyler's
15 account?

16 A. February 23rd, 2015.

17 Q. So up here, when was it actually deposited into
18 Hannah Plyler's account?

19 A. I'm sorry. March 23rd, 2015.

20 Q. All right. So this interest calculation as of
21 February 20th of 2015, would that interest calculation have
22 included interest that accrued between February and March
23 23rd when Hannah Plyler was actually paid back for those
24 loans?

25 A. No, it did not include the interest for the 30-some

1 days.

2 Q. And for the two loans that were paid late, July 29th
3 of 2013 and November 5th of 2013 loans, would this payment
4 have included the agreed-upon 5 percent late fee for overdue
5 payments?

6 A. No, no late payment penalties were included.

7 Q. All right. Exhibit 190, which is also in evidence,
8 Ms. Swinson, will you explain this chart to the jury, please?

9 A. This chart is a summary of Alex Murdaugh's bank
10 account balances before and after transfers from the
11 conservatorship accounts. The horizontal axis represents
12 zero amounts. Below the horizontal axis are negative. The
13 amounts above the horizontal axis are positive account
14 balances. And it shows the balances being negative for some
15 portions of those payments and then becoming positive once a
16 transfer from the conservatorship accounts are deposited into
17 his account.

18 Q. The colors are a little bit hard to see on the
19 screen, but it looks like you've got a pink and a blue. Can
20 you explain the significance of the colors of the boxes to
21 the jury?

22 A. The transfers in the pink boxes correspond to
23 transfers from Hannah Plyler's conservatorship account. And
24 the blue box corresponds to the transfer from Malik
25 Williams's conservatorship account.

1 Q. And in your course of reviewing these transfers from
2 the conservatorships into Murdaugh's account, did you notice
3 any pattern in terms of the timing of these transactions?

4 A. I did.

5 Q. And what was that pattern?

6 A. Around quarter end, when Alex Murdaugh's accounts
7 were overdrawn, there were transfers from the conservatorship
8 account into his account to make his account balance
9 positive.

10 MS. STOUGHTON: All right. That's all the questions
11 I have, Ms. Swinson. Your Honor, I'm not sure if this might
12 be a good time for a break.

13 THE COURT: I think it is a good time to stop.
14 Ladies and gentlemen, let's take about a one-hour break. Do
15 not discuss this case. Do not review anything external to
16 the court.

17 (Jury leaves open court at 12:32 p.m.)

18 THE COURT: Any matters we need to address?

19 MS. LIMEHOUSE: Nothing from the Government, Your
20 Honor.

21 THE COURT: From the defense?

22 MR. DANIEL: Nothing from the defense, Your Honor.

23 THE COURT: Very good. Be at ease. We will be back
24 in a hour.

25 (Whereupon, a recess transpired.).

1 THE COURT: Crystal, is the jury ready?

2 THE COURT DEPUTY: Yes, Your Honor.

3 THE COURT: Any matters we need to address?

4 MR. AUSTIN: Yes, Your Honor. We have one matter on
5 the witness issue that we talked about earlier at sidebar.
6 Can we approach again?

7 THE COURT: Yes, you may.

8 (Whereupon, the following bench conference takes
9 place.):

10 MR. AUSTIN: Jason Peavy is the attorney.

11 THE COURT: Okay. What's up?

12 MR. AUSTIN: We need Jason here. Jason wanted to
13 update you on what he's learned about.

14 THE COURT: Can we go get him?

15 THE COURT REPORTER: This is Jason -- his last name?

16 MR. AUSTIN: Jason Peavy.

17 THE COURT: And he represents?

18 MS. LIMEHOUSE: He represents Nancy Drawdy and other
19 bank witnesses.

20 MR. AUSTIN: I don't remember what I said earlier,
21 but, basically, Judge, we were just about to start this
22 interview with her when she found out about the suicide. And
23 so we were like -- I mean, it put us in a tough spot. We
24 didn't want to just press forward with a subpoena when she's
25 going through this tough ordeal. And Jason said that he

1 thought that this would be a logistical hardship for her to
2 come. And we talked about it over the weekend. It's really
3 important to our clients. It's really important to us.

4 THE COURT: It's hard for the Government
5 cross-examining in front of the jury.

6 MR. DANIEL: We will do -- logistically, we will do
7 what needs to be done. We will have a car pick her up, take
8 her to the airport, and pay for all of that.

9 MR. HOLLIDAY: We reached him and he's on his way
10 up.

11 MR. AUSTIN: He was just here a second ago.

12 THE COURT: Always is.

13 MR. DANIEL: We can take it up at the next break.

14 THE COURT: Let's take it up at the next break.

15 (Bench conference ends.)

16 THE COURT: Ms. Perry, bring in the jury.

17 You can return to the witness stand.

18 (Whereupon, the jury returns to open court at 1:41
19 p.m.)

20 THE COURT: Please be seated. Cross-examination by
21 the defense.

22 CROSS-EXAMINATION

23 BY MR. DANIEL:

24 Q. May it please the Court, Your Honor. Ms. Swinson,
25 I'm Bart Daniel. Just a few questions for you this

1 afternoon. Now, the loans you analyzed, y'all analyzed all
2 of Mr. Laffitte's loans from the conservatorship as the
3 personal representative; is that right?

4 A. Yes, sir.

5 Q. Okay. And you analyzed all Mr. Murdaugh's?

6 A. Yes, sir, that's correct.

7 Q. And I believe you said all loans were paid back at
8 the end of the conservatorships, all the personal
9 representative duties, all those were paid back?

10 A. So, at the end of the conservatorship, despite
11 multiple defaults on the loan and the insufficient interest
12 and late fees that was paid on those transfers, the loans
13 were paid back in full from Pinckney settlement funds and
14 Badger settlement funds, in addition to the \$245,000 paid
15 back via funds from Johnnie Parker. So the only funds that
16 came directly from Russell Laffitte is approximately \$7,800
17 in interest payments.

18 Q. But when you pay off a loan with another loan, that
19 first loan is paid off in full; isn't that correct?

20 A. That's correct.

21 Q. Okay. And when you still owe the money, now that
22 you've refinanced that loan -- so, ultimately, Mr.
23 Laffitte -- I assume you are talking about Mr. Johnnie
24 Parker's loan, has been paying Mr. Johnnie Parker ever since
25 that time, has paid that loan way down, did you know that?

1 A. That's correct.

2 Q. And Mr. Laffitte still owes Mr. Parker some,
3 correct?

4 A. I have no idea how much he owes.

5 Q. But you do know he paid down that loan?

6 A. I do not know that, no.

7 Q. So you didn't talk to Mr. Parker to find out if Mr.
8 Laffitte was paying down the loan?

9 A. No, sir. I was only tasked with analyzing the
10 financial records. I did not speak to anyone on behalf of
11 Russell Laffitte's loan.

12 Q. You just mentioned as if there was something wrong
13 with using one loan to pay off these conservatorship loans.

14 A. I just stated the fact that I --

15 THE COURT: Stop. Stop. You asked the question.
16 Let the witness answer it before you ask the next question.
17 Answer the question, yes, ma'am.

18 THE WITNESS: Could you repeat the last question?

19 BY MR. DANIEL:

20 Q. You testified that -- you implied that there was
21 something wrong with paying off one loan with another loan.
22 But there's nothing wrong with that, is there?

23 A. I stated the facts as I observed them in the
24 financial records.

25 Q. And you did not follow up with Mr. Parker to see if

1 those loans were being prepaid -- that loan was being repaid,
2 did you?

3 A. No, sir, that's correct.

4 Q. And you testified about two of the loans, one of the
5 conservatorship loans, and I believe another loan that was at
6 SCB&T that Mr. Laffitte had, they were cross-collateralized.
7 In other words, you used the same collateral for this loan,
8 for loan number one, that you loaned for loan number two; is
9 that correct?

10 A. Yes, that's correct.

11 Q. And they were cross-collateralized using 2,471
12 shares of Palmetto State Bank stock; is that correct?

13 A. Yes, as well as Bank of America stock.

14 Q. Okay. And that was in writing, right? It was
15 actually a written piece of pledge in writing securing those
16 notes?

17 A. Yes, that's correct.

18 Q. Okay. And did you check the value of the Palmetto
19 State Bank stock per share at that time?

20 A. No, I did not.

21 Q. Okay. Would you be surprised to learn there was
22 approximately anywhere from --

23 MS. STOUGHTON: Objection, Your Honor.

24 THE COURT: You know, you can't introduce evidence
25 not in the record. Sustained.

1 BY MR. DANIEL:

2 Q. Did you know that it was more than enough to --

3 MS. STOUGHTON: Objection, Your Honor.

4 MR. DANIEL: Your Honor, she can answer that
5 question.

6 MS. STOUGHTON: It's evidence that's not in the
7 record.

8 THE COURT: Unless she knows, if she knows, fine.

9 BY MR. DANIEL:

10 Q. So I will ask the question this way. So you never
11 bothered to check to see the value of that collateral that
12 was posted on those two loans?

13 A. No, I did not.

14 Q. Okay. Now, you went through the various interest
15 rates. And first let's look at Mr. Laffitte's loans. By my
16 notes, and you correct me if I'm wrong, by my notes, the most
17 amount of interest he paid on one of the notes was 1 1/2
18 percent, and the most he paid on the notes was 3.25 percent?

19 A. Yes, I believe that's correct.

20 Q. Okay. And so did you know -- did you check out what
21 the annual -- excuse me, what the daily CD rate was for these
22 particular periods of time of these loans?

23 A. No.

24 Q. Do you have any idea what it was?

25 A. No.

1 Q. So you didn't see -- you didn't check to see if the
2 loan and interest he was paying was more than they were
3 getting from a bank just sitting in an account?

4 A. No.

5 Q. Okay. But you did say at the end of it all, he
6 overpaid by \$242?

7 A. According to his calculation, yes.

8 Q. According to his what?

9 A. His calculation, yes.

10 Q. Well, but isn't that you concluded in court today?

11 A. So I testified earlier that there were multiple
12 instances in which the date of the check written for the
13 interest did not correspond to the date the check was
14 actually deposited. In some instances, it was almost one
15 year after the date of the check. And no late payments
16 within 5 percent were included on any of those checks.

17 Q. And the Alex Murdaugh loans, those, unlike Mr.
18 Laffitte's loans which were secured by the stock, they were
19 unsecured; is that right?

20 A. Alex Murdaugh's loans were not secured by anything.

21 Q. Okay. And he paid higher interest rate than
22 interest rate that Mr. Laffitte was paying on loans, wasn't
23 he?

24 A. That's correct, yes.

25 Q. And I wrote down his was -- the lowest was, I think,

1 3 percent, and the highest was 5 percent?

2 A. Yes, I think that's correct.

3 Q. Okay. And then sometimes it's 3 and a quarter,
4 sometimes it's three and a half, sometimes it's 3.75, but all
5 between 3 and 5 percent?

6 A. Yes.

7 Q. Okay. And you never checked to see what the yearly
8 rate or the daily rate on the money would -- what the money
9 would have been made -- excuse me, would have been paid if it
10 had just been sitting in the account in the bank and not
11 being invested?

12 A. No. But I'm pretty sure most banks don't go and see
13 how much the interest they are earning on CDs that they are
14 giving to other customers is when they are making their
15 lending decisions.

16 Q. It's not my question to you. If Mr. Murdaugh is
17 paying an average of somewhere between 3 and 5 percent on the
18 loan, all I asked you was, you didn't check to see what the
19 daily CD rate was, certificate of deposit rate, or the daily
20 money market rate that they would have been making if they
21 kept that money in those accounts?

22 A. No, I did not check the CD rates.

23 Q. Thank you. And all the loans were documented in
24 writing; is that right?

25 A. No.

1 Q. Did you check the probate court files?

2 A. I reviewed the records that I was given. And those
3 did not include -- some -- some of the loans did not include
4 promissory notes, as stated in my testimony.

5 Q. My question is, did you review the files from the
6 probate court?

7 A. There were some files from the probate court given
8 to me and I reviewed those records.

9 Q. Well, there was some filed, but you didn't review
10 all the files in the probate court that were filed publicly?

11 A. I did not review the actual file on hand at the
12 probate court's office.

13 Q. Well, that's not my question. Did you review all
14 the records that were filed, not whether it was there or
15 somewhere else? Did you review all the records that were
16 filed for each conservatorship or each personal
17 representative?

18 A. I can't testify if the records that I was given was
19 complete because I did not compare that to the records that
20 were actually on file at the probate office.

21 Q. Okay. Did you add up all the interest that Alex
22 Murdaugh paid on the loans that he borrowed? You went
23 through all of your spreadsheets. I don't know how many
24 pages it was.

25 A. It was a lot.

1 Q. It was --

2 A. A lot of pages.

3 Q. A lot of pages for sure. How much interest was it?

4 A. I would have to check my notes. I don't know the
5 figure right off.

6 Q. Well, you've got it right before you. Go ahead and
7 check. I can add it up for you if you would like.

8 A. Give me one minute, please. Are you asking for Alex
9 Murdaugh's or Russell Laffitte's?

10 Q. Would \$16,850.89 sound about right to you?

11 A. One moment, please. What figure are you -- what's
12 your figure again?

13 Q. \$16,850.89.

14 A. And that's for Alex's loans?

15 Q. Alex Murdaugh's loans.

16 A. I came out with approximately \$11,104.

17 Q. How much?

18 A. \$11,104.

19 Q. Did you know -- you looked at all these checks. You
20 saw where Alex Murdaugh signed a good number of the checks
21 from the PMPED firm. He signed a good number of those
22 checks; isn't that correct?

23 A. Yes, sir.

24 Q. And did you know that as a senior partner and owner
25 of the firm, that he was authorized to sign checks on behalf

1 of the firm?

2 A. No, I did not look at the signatory cards for the
3 firm's bank accounts. So I have no idea who was authorized
4 and who was not authorized to sign.

5 Q. So if he had been authorized -- this is my question,
6 if he had been authorized, that means he would also be
7 authorized to direct how the proceeds from particular loans
8 were paid?

9 MS. STOUGHTON: Objection. It calls for
10 speculation.

11 MR. DANIEL: Your Honor, she's the expert.

12 MS. STOUGHTON: First of all, she's not an expert.

13 THE COURT: She's not an expert. The question you
14 are asking her is -- if she knows from her own knowledge,
15 fine. So why don't you re-ask the question.

16 BY MR. DANIEL:

17 Q. I will ask the question, give a little bit more
18 background, Your Honor. If someone is an owner of a
19 business, then they have authority to direct how the funds of
20 that check or from the proceeds of a loan are to be directed?

21 A. I mean, are you asking me about a specific business
22 or --

23 Q. I'm asking you about --

24 A. -- in general?

25 Q. I'm asking you about the PMPED law firm.

1 A. Again, I don't know who was authorized on
2 transactions on that account. I did not look at the
3 signature card.

4 Q. If you could pull up Exhibit 66, please. It's
5 Defendant's Exhibit 66. Now, I believe you've got a similar
6 exhibit somewhere, but do you recognize these are the Badger
7 checks? Did you look at the Badger checks?

8 A. No, I did not look at all of the Badger checks.

9 Q. I will ask you some questions about this chart
10 that's in the evidence. It's Exhibit 66. And you mentioned
11 there were a couple of checks that you testified to that were
12 made out on September -- because this is important --
13 September the 13th, 2013. As a matter of fact, you see on
14 that list there's more than just a couple. But you talked
15 about some specifics ones?

16 A. Yes.

17 Q. And before that, there's a -- the check that goes in
18 this list, there's a check that's the actual Badger
19 settlement check. That's \$1.325 million. And it's dated
20 11/19/2012. Did you come across that one?

21 A. I did not.

22 Q. So you didn't analyze the Badger settlement check?

23 A. No, I did not analyze the Badger full settlement,
24 no.

25 Q. Okay. So you didn't see whether the Badger

1 settlement check of 1.325 ever was processed at the bank?

2 A. No.

3 Q. In other words --

4 A. What do you mean by "processed"?

5 Q. By processed I mean, did it ever get negotiated at
6 the bank? Did it ever hit the bank?

7 A. I have no knowledge of my own of that occurring, no.

8 Q. Okay. Let's look specifically at Exhibit No. 70.
9 And I believe you did look at -- this is Defendant's Exhibit
10 No. 70. Okay. And this, I believe, is on one of your
11 screens with a lot of different checks. This is a check made
12 payable from the PMPED -- go ahead and read it for the jury,
13 highlights.

14 A. So the check is drawn on the account of the firm and
15 it's payable to Bank of America in the amount of \$50,684.75.

16 Q. And what does it say in the settlement line?

17 A. The memo line?

18 Q. The memo line. I'm sorry.

19 A. Settlement proceeds.

20 Q. Okay. And that check is drawn on the law firm's
21 client trust account; is that correct?

22 A. Yes.

23 Q. And it's the \$50,684.75 check that -- one of the
24 ones that you did examine?

25 A. No, this is not a check that I have looked at

1 affiliated with my testimony earlier.

2 Q. So that was a different Bank of America check that
3 you testified to? You said there were two checks that went
4 to Bank of America. Take your time and review your notes.
5 This is very important.

6 A. Okay. Are you referring to Russell's transactions
7 or to Alex's transactions?

8 Q. This is a check that went to the Bank of America
9 from the Peters Murdaugh Parker Eltzroth checking accounting?

10 A. I don't recall seeing this check in my earlier
11 testimony, no.

12 Q. But you do agree with me this check, which is in
13 evidence -- you don't think you reviewed this one, but this
14 one is in evidence, and is drawn on the trust account of
15 PMPED law firm.

16 MS. STOUGHTON: Your Honor, she just testified
17 that --

18 MR. DANIEL: She can read the check.

19 MS. STOUGHTON: It's outside the scope of her
20 direct. She just testified --

21 THE COURT: I don't understand the relevance.

22 MR. DANIEL: Let me explain to you the relevance.
23 The very same mistakes they said --

24 THE COURT: No. Sustained.

25 MR. DANIEL: Judge, this is part of the Badger

1 settlement. It's part of this case. It's in evidence.

2 THE COURT: I've ruled.

3 BY MR. DANIEL:

4 Q. In analyzing the checks that Mr. Murdaugh used, did
5 you notice that the checks were sometimes issued -- excuse
6 me, sometimes issued on one date and then much later used to
7 pay off on another date?

8 A. Are you referring to the checks that --

9 Q. Alex Murdaugh.

10 A. The ones I testified about earlier?

11 Q. Not the one you testified from. Just asking you,
12 did you notice, not whether you testified --

13 A. So with regard to the checks that I have testified
14 to earlier today, yes, some of the dates the checks were
15 written were prior to the date those checks were deposited.

16 Q. And so when they were processed, some of them were
17 processed a good bit later?

18 A. Yes.

19 Q. Okay. And did you go to Bank of America to talk to
20 them about those two checks you looked at?

21 A. No. As I testified earlier, I was given specific
22 financial records to look at and analyze, and that's all that
23 I did.

24 MR. DANIEL: Okay. Thank you, ma'am. Give me one
25 second. I think I'm finished. No further questions.

1 THE COURT: Very good. Anything on redirect?

2 MS. STOUGHTON: Just very briefly, Your Honor.

3 REDIRECT EXAMINATION

4 BY MS. STOUGHTON:

5 Q. Ms. Swinson, you testified earlier that you are a
6 forensic accountant with the FBI; is that correct?

7 A. Yes.

8 Q. You are not a special agent?

9 A. That's correct.

10 Q. Were you tasked with doing any part of the
11 investigation in this case in terms of serving subpoenas,
12 collecting documents, anything like that?

13 A. No, I was not.

14 Q. What were you tasked with doing in this case?

15 A. Reviewing a limited number of financial records, to
16 include bank statements, check deposits, loan records,
17 promissory notes.

18 Q. Did you review all the documents that were provided
19 to you by the case agent?

20 A. Yes.

21 Q. We are going to pull up Government's Exhibit 189,
22 which is already in evidence. This is slide 9 that you
23 talked about earlier. Could you just remind the jury, what
24 are these two checks that we are looking at on the top and
25 bottom of the left-hand side?

1 A. They are two checks drawn on the firm's account.
2 They total approximately \$635,000 that are payable to
3 Palmetto State Bank. And they reference in the memo section,
4 settlement proceeds for Hakeem Pinckney and Natasha Thomas.

5 Q. Settlement proceeds. You also testified about these
6 three checks which were broken down out of that \$634,000; is
7 that correct?

8 A. Yes.

9 Q. Were these three checks -- excuse me, money orders,
10 used to pay back three of the Murdaugh loans from
11 conservatorships?

12 A. Yes, that's correct.

13 Q. Is using settlement proceeds from another
14 individual's case taking out a loan to pay back another loan?

15 A. No.

16 MS. STOUGHTON: Thank you. No further questions.

17 THE COURT: Any reason to keep the witness under
18 subpoena?

19 MR. DANIEL: Beg the Court's indulgence, Your Honor.
20 Just one question, Your Honor.

21 THE COURT: No. No. No. We've done redirect. I
22 asked is the witness -- do you need to keep her?

23 MR. DANIEL: I was just going to ask one question,
24 but if Your Honor is not going to allow me --

25 THE COURT: Okay. You are free to leave. Thank

1 you.

2 THE WITNESS: Thank you, Your Honor.

3 THE COURT: You are released from your subpoena.

4 THE WITNESS: Thank you, Your Honor.

5 THE COURT: Call your next witness.

6 MS. STOUGHTON: The Government calls Spann Laffitte.

7 THE COURT DEPUTY: Please state your full name.

8 THE WITNESS: Henry Spann Laffitte, Jr.

9 HENRY SPANN LAFFITTE, JR.

10 having been duly sworn, testifies as follows:

11 DIRECT EXAMINATION

12 BY MS. STOUGHTON:

13 Q. Good afternoon, Mr. Laffitte. I'm going to get you
14 to pull that mic up close to you before you talk. Thank you.

15 So the jury has heard from a number of Laffittes
16 already. How are you related to the defendant, Russell
17 Laffitte?

18 A. He's my first cousin.

19 Q. So you've known him your whole life, his whole life?

20 A. Yes, ma'am.

21 Q. Tell the jury a little bit about your background.

22 Where did you grow up?

23 A. Allendale, South Carolina.

24 Q. And where did you go to college?

25 A. University of South Carolina.

1 Q. What have you been doing since you graduated from
2 college?

3 A. I've been in the insurance industry.

4 Q. Are you also on the Palmetto State Bank Board of
5 Directors?

6 A. Yes, ma'am.

7 Q. Around 2015, there was some family events that led
8 to leadership changes at the bank. Could you describe that
9 for the jury?

10 A. My cousin, Sterling Laffitte, who was president of
11 the bank at the time, passed away. And my father passed away
12 at the end of that year as well.

13 Q. And then what did that sort of do in terms of the
14 leadership trajectory of the bank?

15 A. Sterling had been named president when he was
16 president of the South Carolina Bankers Association. And I
17 think he was the sort of leader in charge, so to speak. And
18 when he passed, it just shifted roles and responsibilities.

19 Q. So Jan became president; is that correct?

20 A. Yes, ma'am.

21 Q. And what about Russell?

22 A. I believe he was the COO.

23 Q. How long have you served on the bank's Board for?

24 A. Since 2018.

25 Q. And what role or responsibilities do you have in

1 your capacity as a Board member?

2 A. The primary responsibility is to be a steward for
3 the shareholder interest. And we sort of function in
4 supervisor role overseeing the bank's performance and
5 assessing that.

6 Q. The Board as a whole is kind of high-level
7 oversight, right?

8 A. Yes, ma'am.

9 Q. Not day-to-day management of the bank?

10 A. No, ma'am.

11 Q. Do you serve on any committees of the Board?

12 A. Yes, I serve on the Audit Committee and Litigation
13 Committee.

14 Q. The jury has heard already about the Audit
15 Committee. What is the Litigation Committee?

16 A. It's a subgroup of the Board that was formed in
17 October of '21 to handle all matters related to litigation in
18 the bank.

19 Q. Now, you said you've been working in insurance since
20 you graduated from college. So you don't have a background
21 in banking; is that correct?

22 A. I was a teller several summers, but no, ma'am, not a
23 background in banking.

24 Q. How have you adjusted to your responsibilities as a
25 member of the Board at the bank?

1 A. When I joined, it was just a matter of observing the
2 practices of the other Board members and studying the team
3 education that we received and our training, and just tried
4 to contribute when I felt it was valuable.

5 Q. All right. I want to shift gears a little bit.
6 Before the summer of 2021, did you know who Alex Murdaugh is?

7 A. Yes, ma'am.

8 Q. What was the nature of your relationship with him?

9 A. I knew his family, Mr. Randolph, Ms. Libby, and
10 Randy, and Alex, and John Marvin. I did more socially with
11 John Marvin than Alex.

12 Q. Who is John Marvin in relation to Alex?

13 A. Alex's younger brother.

14 Q. Did you know Alex to be a customer of the bank?

15 A. Yes, ma'am.

16 Q. What was your impression of this financial status
17 before the summer of 2021?

18 A. The perception was he had always done quite well as
19 an attorney, and lived a lifestyle that seemed most
20 comfortable.

21 Q. Moving forward up into the summer and fall of 2021,
22 when was the first time you recall there being discussions at
23 the bank about the bank's potential exposure in terms of its
24 relationship with Murdaugh?

25 A. It was after the boat crash. My cousin Norris had

1 heard that Alex was no longer employed at the law firm, and
2 just inquired about his capacity to pay back his debt.

3 Q. All right. So in early August, the jury has already
4 heard about some e-mails among Board members involving bank
5 liability.

6 MS. STOUGHTON: Can we pull up Government's Exhibit
7 6, please, which is already in evidence.

8 BY MS. STOUGHTON:

9 Q. There was a Board meeting on August 17. Were you
10 present at this meeting, or I guess did you attend the
11 meeting is probably a better question?

12 A. Yes, ma'am, via Zoom.

13 Q. All right. At the bottom of this first page, it
14 says: The loans outstanding on Richard Alexander Murdaugh
15 were discussed. A copy is attached.

16 Do you recall at this August Board meeting
17 discussion surrounding a \$750,000 loan to Murdaugh?

18 A. Yes, ma'am.

19 Q. What was the stated purpose of the loan?

20 A. Renovations to his beach house.

21 Q. And what was the stated collateral for that loan?

22 A. A share of Green Swamp Hunt Club and the house
23 itself.

24 Q. So this Board meeting was on August 17th. Were you
25 made aware that 350,000 of the \$750,000 had been wired to

1 Attorney Chris Wilson on July 15th?

2 A. No, ma'am.

3 Q. Were you made aware that the remaining \$400,000 had
4 been deposited into Murdaugh's account to cover his
5 overdrafts on August 9th?

6 A. No, ma'am.

7 Q. Whose responsibility was it to share accurate
8 information regarding that loan with you and the rest of the
9 Board members?

10 A. The loan officer associated with the loan.

11 Q. And who was the loan officer associated with this
12 loan?

13 A. Russell.

14 Q. What would your reaction have been as a Board member
15 if you had seen Alex Murdaugh's overdraft in excess of
16 \$360,000, and then learned he had just been extended a
17 \$750,000 loan?

18 A. It would have been most troubling.

19 Q. Why is that?

20 A. As I said earlier, I am not in banking, but it
21 doesn't seem sound banking practice.

22 Q. Let's pull up Government's Exhibit 7D, which is
23 already in evidence. This is an e-mail from Norris dated
24 September 2nd. Did you receive this e-mail?

25 A. Yes, ma'am.

1 Q. This is you, Spann Laffitte, right?

2 A. Yes.

3 Q. The jury has seen this before, so I'm just going to
4 highlight a portion of it. But starting on the second line
5 down here, Norris says: I now notice the \$750,000 loan No.
6 6996048 has only the Green Swamp share as collateral, which
7 does not cover the loan, especially if the share has been
8 pledged elsewhere. Has it been pledged elsewhere? What
9 happened with the collateral of a second mortgage on the
10 Edisto house that was shown against this loan to the Board at
11 the August meeting? Is this loan secure or is it now like
12 the unsecured \$599,400 loan No. 6991524 on the same page?

13 What was your reaction to seeing these questions
14 from Norris on September 2nd?

15 A. Well, the concern was if the Green Swamp share was
16 the only collateral and it had been cross-collateralized and
17 there was no other collateral on the loan, we had exposure.

18 Q. What do you mean by "exposure"?

19 A. A way to recoup the funds that had been lent.

20 Q. Let's go to Government's Exhibit 7E, please. All
21 right. This is a response from Russell. At the end of it
22 says down here: The stock has not been pledged elsewhere.

23 Was that true?

24 A. No, ma'am.

25 Q. When did you first learn that the \$750,000 beach

1 house loan wasn't actually used to renovate the beach house?

2 A. We conducted an internal investigation, and those
3 findings demonstrated that.

4 Q. Did Alex Murdaugh ever make a payment on that
5 \$750,000 beach house loan?

6 A. Not to my knowledge.

7 Q. I want to fast-forward from August and change gears
8 again a little bit. The jury has heard about some continued
9 concerns from Board members about the bank's potential
10 exposure with respect to Murdaugh. Moving into September and
11 October, do you recall Board conversations about bank
12 employees who had previously served either as a personal
13 representative or as a conservator in Alex Murdaugh's cases?

14 A. Yes, ma'am.

15 Q. What prompted those conversations?

16 A. There was exposure to the bank through the
17 Satterfield conservatorship that Chad Westendorf was involved
18 in. And a question was raised, did anybody else in the bank
19 serve as conservator? Uncle Charlie said he served as
20 conservator 20 years ago and it was too much trouble and
21 wouldn't do it again. And Russell said he served as
22 conservator a couple of times but it was no big deal.

23 Q. So why did you, as a bank member, think it was
24 important to understand whether bank employees had served in
25 a fiduciary capacity for Murdaugh's clients in the past?

1 A. Just was there a pattern there, was there additional
2 exposure, or was it isolated to simply to one event with
3 Satterfield.

4 Q. What did Russell tell the Board when asked if he had
5 served as a personal representative or conservator?

6 A. That he had served it a couple of times, but it was
7 no big deal.

8 Q. Did he specifically talk about Hakeem Pinckney?

9 A. He did not talk about Hakeem. He was asked by
10 Lucius Laffitte if he was familiar with the name, and he said
11 he was not.

12 Q. So based on the information you are learning in
13 terms of Satterfield, as events unfold in September and
14 October, at that point are you proposing any actions for the
15 Board to take?

16 A. Early on I suggested we bring in outside counsel. I
17 reached out to a friend of mine that's a defense attorney,
18 just wanted to make sure we had a full understanding of what
19 our exposure was and how best to address that.

20 Q. So if you had learned at either of the Board
21 meetings in September or October that Russell had, in fact,
22 served either as a personal representative or a conservator
23 in multiple cases involving Alex Murdaugh, including Hakeem
24 Pinckney, what action would you have taken or recommended the
25 Board take?

1 A. Would certainly want to seek that clarity. And if
2 we didn't have full understanding, potentially remove him
3 from the bank.

4 Q. All right. So when you say "seek further clarity
5 --"

6 A. Full details, what's the difference between a couple
7 versus numerous, just getting an understanding of truly what
8 had transpired.

9 Q. So later in October, did you become aware of an
10 issue involving a \$680,000 check from the bank to PMPED?

11 A. Yes, ma'am.

12 MS. STOUGHTON: Can you pull up Government's Exhibit
13 13, please, which is already admitted into evidence. And we
14 are going to go to the bottom of this second page. Thank
15 you.

16 BY MS. STOUGHTON:

17 Q. All right. This is an e-mail from Russell the jury
18 has seen already from October 29th of 2021. It says in part:
19 We took a \$680,000 loss to fix an issue between us and the
20 PMPED law firm.

21 What did you understand this e-mail to mean when you
22 received it?

23 A. I had actually been traveling that day. And I saw
24 all of the e-mails almost in reverse. But, basically, that
25 he had negotiated a settlement of some nature with the law

1 firm.

2 Q. Did you understand that the decision had already
3 been made to pay the 680?

4 A. Based on this, it seems that that decision had been
5 made, yes.

6 Q. What was your reaction when you got this series of
7 e-mails?

8 A. It was -- I was concerned. It was troubling. I
9 mean, we were in the middle of uncharted territory. We had a
10 legal team in place to help us make informed decisions. We
11 had a Board in place with a variety of leadership traits and
12 skills. And it was an independent decision.

13 Q. Is \$680,000 a lot of money to the bank?

14 A. Absolutely.

15 Q. Let's move to the bottom of page 1 on this same
16 exhibit, please. There's a follow-up e-mail from Russell.
17 He says: Attorneys were informed, but not consulted. They
18 were consulted by phone, so nothing to share. This is not a
19 lawsuit issue. It is a banking issue of us converting
20 checks.

21 Attorneys were informed but not consulted, what did
22 you understand that to mean?

23 A. As it reads, he didn't seek guidance or direction.
24 He just informed them of what had transpired.

25 Q. Did it concern you that Russell was negotiating some

1 sort of settlement on behalf of the bank?

2 A. At the time, absolutely. I mean, we were, again, in
3 very unfamiliar territory and too much exposure, not to
4 leverage every resource we had.

5 Q. Let's go to the top of page 1, please. There's a
6 third e-mail from Russell: We will discuss in the Board
7 meeting. I was responsible. 12 checks made payable to PSB
8 converted to others. Hopefully no other cases. This took
9 place in 2013.

10 Have you since learned whose money it was that was
11 converted in this first instance that the Board became aware
12 of?

13 A. Yes.

14 Q. Who was that?

15 A. It was the Badger money.

16 Q. I'm sorry?

17 A. The Badger money.

18 Q. Russell says: Hopefully no other cases.

19 Did he indicate that there were conversions in any
20 other cases besides Badger?

21 A. No, ma'am.

22 Q. So this e-mail is October 29th of 2021. The Board
23 met on Halloween night last year. Do you recall that
24 meeting?

25 A. Yes, ma'am.

1 Q. Was that a regularly scheduled Board meeting?

2 A. No, ma'am.

3 Q. What was the purpose of that meeting?

4 A. To try to gain understanding and clarity about the
5 680.

6 Q. So what happened? What decisions were made as it
7 pertains to the 680 or the, I guess, the search for clarity
8 on what was happening?

9 A. We decided to engage an attorney and do an internal
10 investigation.

11 Q. Is this the same meeting that the Litigation
12 Committee was created at?

13 A. Yes, ma'am, I believe so.

14 Q. I'm going to show you what's been admitted into
15 evidence as Government's Exhibit 80.

16 MS. STOUGHTON: Let's go to the bottom of page two,
17 please, to the first e-mail in the thread. Thank you.

18 BY MS. STOUGHTON:

19 Q. So this is an e-mail from Russell. Did you receive
20 this e-mail?

21 A. Yes, ma'am.

22 Q. Who is in the cc line? Who are those four people?

23 A. That's my cousin, Liz Malinowski, Becky Laffitte,
24 and Jim Gibson, the various members of the Litigation
25 Committee.

1 Q. Who is the e-mail actually sent to?

2 A. Our attorney, Trenholm Walker.

3 Q. So Russell says to Trenholm: Please let me know
4 when we decide to pay the check to the law firm. I would
5 like to call them to do this sooner rather than later.

6 MS. STOUGHTON: If you could zoom out.

7 BY MS. STOUGHTON:

8 Q. So this is Trenholm's response. He says in part:
9 Russell, I will handle it.

10 MS. STOUGHTON: And then can we go to the top of
11 page one, please.

12 Q. This is Russell's reply to Trenholm: The bank is
13 paying this amount. The verbal contract between PSB and
14 PMPED was done at the approval of the Chairman of the Board
15 and the CEO. You are welcome to discuss terms, but it is not
16 an option to not pay.

17 So this is the evening of November 2nd of last year.
18 Were you aware that the firm had deposited the check on
19 October 29th?

20 A. No, ma'am.

21 Q. So there's another Board meeting the next day,
22 November 3rd. Were you at that meeting?

23 A. Yes, ma'am.

24 Q. At that meeting, were you informed where the number
25 \$680,000 had come from?

1 A. It was half of the amount.

2 Q. Were you told whether any of that \$680,000 was to
3 repay money that had been paid to Russell personally?

4 A. No, ma'am.

5 Q. Were you told that the \$680,000 included half of the
6 amount of checks that had gone to Bank of America and not
7 through Palmetto State Bank?

8 A. No, ma'am.

9 Q. Was that \$680,000 a loss to the bank?

10 A. Yes, ma'am.

11 Q. Where did it come from?

12 A. I believe it was out of our loan loss reserves.

13 Q. What is a loan loss reserves account for?

14 A. Reserved funds available in case loans are not paid
15 back.

16 Q. Was the \$680,000 a loan?

17 A. No, ma'am.

18 Q. In the months following this November meeting and
19 the 680 payment, did the bank decide to sever its
20 relationship with Russell?

21 A. Yes, ma'am.

22 Q. Was that vote unanimous?

23 A. No, ma'am.

24 Q. Did you vote to sever the bank's relationship with
25 Russell?

1 A. Yes, ma'am.

2 Q. And why?

3 A. There had just been a lack of transparency about the
4 overall involvement with Alex. And it just created such
5 tremendous exposure for the bank. And checks had been
6 converted. I mean, we truly had no choice.

7 MS. STOUGHTON: Thank you, Mr. Laffitte. Please
8 answer any questions the defense has.

9 THE COURT: Cross-examination.

10 CROSS-EXAMINATION

11 BY MR. AUSTIN:

12 Q. Good afternoon, Mr. Laffitte.

13 A. Good afternoon.

14 Q. My name is Matt Austin. I represent Russell. Give
15 me one second while I get my stuff set up here, please.

16 All right. If we could go back, I think you covered
17 this, but just to go over it again, when did you first join
18 the Board at Palmetto State Bank?

19 A. In 2018.

20 Q. 2018?

21 A. Yes, sir.

22 Q. And I think you testified that you never had any
23 prior experience in the banking industry; is that correct?

24 A. Other than being a teller in high school.

25 Q. Right. Okay. But no full-time experience?

1 A. No, sir.

2 Q. And are you a full Board member? Are you able to
3 vote because you own stock?

4 A. I'm able to vote because I'm on the Board.

5 Q. But -- I didn't phrase that the right way. In order
6 to be on the Board, you need to have stock; is that correct?

7 A. Yes, sir.

8 Q. Well, I guess except for Scott Swain, who doesn't
9 own stock, so he's a nonvoting member; is that correct?

10 A. Yes, sir.

11 Q. Okay. And how many shares do you own?

12 A. I think around 3,000 maybe.

13 Q. And in preparation for trial -- or I guess before I
14 get to that question, are you familiar with the bylaws of
15 Palmetto State Bank?

16 A. Yes, sir.

17 Q. Is that part of your duty as Board member to be
18 familiar with them?

19 A. Yes, sir.

20 MR. AUSTIN: Okay. Please bring up the Palmetto
21 State bylaws, please. If we can zoom in, please, on Section
22 3.15.

23 BY MR. AUSTIN:

24 Q. So are you familiar with this provision of the
25 bylaws?

1 A. I'm -- I've seen it. I'm reading it now.

2 Q. Sure. And what does this mean to you? How do you
3 interpret this?

4 A. Just the literal interpretation as it reads.

5 Q. So, basically, you need to file written dissent if
6 you disagree with an action taken by the Board; is that
7 right?

8 A. Yes, sir.

9 Q. Okay. And let's go to Section 3.16, the Executive
10 Committee. This is a long paragraph, but if we could zoom
11 in, please. There we go. Thank you.

12 All right. So you said earlier you thought that --
13 I believe you said it was improper the way that Russell
14 handled the \$680,000 settlement, that he should have gone to
15 the full Board. Now, if you read here, in this first
16 highlighted part it says that: The Executive Committee shall
17 have delegated to it and may exercise, to the extent
18 permitted by applicable law, all the power and authority of
19 the Board of directors for management of the business and
20 affairs.

21 And then if you go down to the next highlighted
22 part, it says: To approve, bind the corporation under, and
23 authorize the corporation to perform or enforce contracts,
24 agreements and debt obligations, to initiate, defend, or
25 settle legal proceedings.

1 So based on this provision in the bylaws, if Russell
2 voted along with his dad, Charlie, and his sister, Gray,
3 that's three-fourths of the voting members of the Executive
4 Committee, would he not have the authority under this
5 provision in the loan to make this decision to pay the
6 \$680,000?

7 A. Well, the full Executive Committee consists of
8 others, and they should have been consulted.

9 Q. Okay. And I think this is an important point.
10 Where do you get that belief from? Are you relying on a
11 specific section of the bylaws or some other document that
12 governs how the Executive Committee is supposed to work?

13 A. Common practice in any other business, a committee
14 is a committee and it's representative of the full body of
15 it.

16 Q. Okay. Well, so if the Executive Committee here has
17 the authority to initiate, defend, or settle legal
18 proceedings, why would that be dependent on the rest of the
19 Board?

20 A. Well, in this particular instance, the lack of
21 transparency and the proximity Russell had to this settlement
22 that he negotiated independently was improper.

23 Q. Well, if he had the consent and votes of both his
24 dad and his sister, would that not be independently?

25 A. I can't speak for them, but I cannot believe that

1 they knew the full extent of what was involved with that 680
2 repayment. And in terms of permitted by applicable law, I
3 mean, if the bylaws circumvented, you know, applicable law, I
4 don't think we would be here today.

5 Q. What applicable law?

6 A. Banking policy, regulatory policy.

7 Q. Okay. I mean, it's just important for you to
8 understand, what policy and what provisions are you talking
9 about?

10 A. When these bylaws were adopted, there was an
11 expectation of any executive to act in a manner that was in
12 the best interest of the shareholders and that bank. And in
13 my opinion, that did not take place.

14 Q. Okay. But regardless of your opinion, I mean, Board
15 members can have a difference of opinion, right?

16 A. Sure.

17 Q. And that's kind of the beauty of Boards, you have a
18 bunch of different people on there and there's different
19 opinions and you vote on things and that's how you decide
20 what action to take and not take. According to this section
21 of the bylaws, the Executive Committee only needs to have
22 three-fourths, right, and they can settle lawsuits, enter
23 settlement agreements, things like that?

24 A. Yes, but I still believe there should be
25 transparency about --

1 Q. Well, should be isn't the same thing as actually
2 something being in place, right?

3 A. I agree.

4 Q. Okay. Can we go to Section 4.02. Going to take a
5 second to read that. That section deals with the Chairman of
6 the Board. I will speed this up. If you look towards the
7 second half: The chairman may execute on the corporation's
8 behalf any and all contracts, agreements -- and then the rest
9 of the words there I don't need to read here for you. But
10 "agreements" is the operative word. Wouldn't a settlement
11 agreement fall under this section of the bylaws?

12 A. I don't know if a settlement agreement are the same,
13 but if they are, yes.

14 Q. Okay. And Charlie, the Chairperson of the Board,
15 wouldn't you expect him to be able to settle agreements or
16 enter into agreements on behalf of the bank?

17 A. I think in normal circumstances, yes. But these
18 were not normal circumstances.

19 Q. Well, you don't think they are, but that's why we
20 have bylaws, right? So then you can follow a set of standard
21 rules that don't care about whether something is unusual
22 circumstance or not?

23 A. Okay.

24 Q. Do you agree with that?

25 A. Yes.

1 Q. Okay. And so, yeah, I think you've touched on
2 something that's obvious to everybody here. This is an
3 unusual situation, right, with Alex Murdaugh? I mean, this
4 is unprecedented. Have you ever seen anything like it in
5 your lifetime?

6 A. No, sir.

7 Q. At the time of all these meetings in the fall where
8 things started really escalating, did you have a good grasp
9 of the amount of criminal conduct Alex Murdaugh was
10 potentially involved in?

11 A. No, sir. My concern was any involvement with the
12 bank itself.

13 Q. Uh-huh. I'm sorry. I'm losing my voice. Were you
14 aware that Alex had been a long-term customer of the bank?

15 A. Yes, sir.

16 Q. And when did you first become aware that he was a
17 customer of the bank?

18 A. At some point in my youth, I would assume.

19 Q. I'm sorry?

20 A. At some point in my youth, I would assume.

21 Q. Okay. And did you have a chance to become familiar
22 with his finances during your service on the Board?

23 A. I did not see the full extent of his finances until
24 the fall of '21.

25 Q. Okay. And in the course of reviewing his finances,

1 did you kind of learn that he had, yes, overdrafted at times,
2 but he always, for the most part, with the exception of Green
3 Swamp and 0 United back closer to 2010, always paid his debts
4 back, paid overdrafts, paid loans off? Did that ever come
5 up?

6 A. I don't -- I mean, he didn't pay anything on the 750
7 beach house.

8 Q. Well, sure, because he was arrested and charged
9 criminally. Right? And he's sitting in jail. But for that,
10 his track record is pretty good, wouldn't you agree?

11 A. Other than Red Beard and 0 United.

12 MS. STOUGHTON: Objection. This mischaracterizing
13 testimony, Your Honor.

14 THE COURT: Well, if the witness knows, it's
15 cross-examination.

16 BY MR. AUSTIN:

17 Q. That's why I asked. If you could please pull up
18 Section 4.03. All right. If you look towards the second
19 half, it says: The CEO shall have full authority to execute
20 on the corporation's behalf any and all contracts,
21 agreements -- and the same word, basically the same sentence
22 that was in the chairman provision. And so based on this
23 section alone, Russell would have had the authority to enter
24 this agreement by himself; isn't that right?

25 A. Yes, sir.

1 Q. Okay. And so not only could he have done it,
2 Charlie could have done it by himself too. And then also
3 Russell could have done this with his sister and his dad
4 voting on the settlement agreement. And it doesn't matter
5 whether anybody else thinks it's unusual. They could just do
6 it. They had that authority under the bylaws; is that right?

7 A. Yes, sir.

8 Q. Okay. And so in Count 4 of the indictment it says
9 that Russell wrote this check without notice to or approval
10 by the Board. Do you think that he wrote that check not in
11 compliance with the bylaws in any way?

12 A. It may have followed the bylaws, sir, but the
13 circumstances around the payment and the lack of transparency
14 and the exposure it created --

15 Q. So -- I'm sorry. I will let you finish.

16 A. The bylaws are the governing laws of the
17 organization.

18 Q. So he's following the --

19 THE COURT: Let him finish his answer.

20 THE WITNESS: But there's a responsibility of that
21 role to always do what's in the best interest of the
22 shareholders. And when you break down what that 680 payment
23 involved and the proximity to it, it just was inappropriate.

24 BY MR. AUSTIN:

25 Q. Okay. That's just your opinion though. And --

1 A. It is my belief, yes.

2 Q. That's fair. And you are entitled to that. But as
3 you said, it was legal under the bylaws. And let me ask you
4 this. Is the bank held liable for the acts of its employees?

5 A. Yes, sir.

6 Q. And as a Board member, did you ever deal with
7 lawsuits where somebody screwed up, and despite the fact that
8 one person made a mistake, the bank is still held liable?

9 A. Not until 2021.

10 Q. Okay. But just in general, you are generally
11 familiar with that concept, right?

12 A. Sure.

13 Q. So if Russell made a mistake with regard to the
14 \$680,000, 1.325 Badger dollar figures, why wouldn't the bank
15 be liable for the act of their employee?

16 A. Why wouldn't the bank be liable?

17 Q. Yeah. If an employee screws up, the bank can be on
18 the hook, right?

19 A. Yes, sir.

20 Q. Okay. And that would apply to a CEO as well,
21 wouldn't it?

22 A. Yes, sir.

23 Q. And as CEO, he has the authority to enter into
24 settlement agreements and settle lawsuits, and if the
25 exposure was potentially \$1.325 million before you get to

1 anything else and he settles for \$680,000, isn't that a
2 pretty good deal for that situation?

3 A. Sir, we had so little information about what that
4 payment was, there was no telling whether it was a good deal
5 or not.

6 Q. Right. And that's why the bylaws provide this kind
7 of discretion for somebody like a CEO to act unilaterally at
8 times where they need to be able to just make decisions and
9 move forward.

10 A. If Russell was acting in a manner to protect himself
11 as opposed to protecting the bank, I don't know where the
12 bylaws come into play.

13 Q. Well, did he hide his involvement in this at all?

14 A. Yes.

15 Q. How?

16 A. There was absolutely no transparency. I mean, in
17 the e-mail he said hopefully there are no others.

18 Q. He also said that we will discuss this in full at
19 the next Board meeting, didn't he?

20 A. Said we will discuss it Tuesday, I believe.

21 Q. Okay. And he wasn't transparent about it then?

22 A. There was no other mention of any other
23 conservatorships. There was no other mention of loans coming
24 in and out of conservator accounts. No, it was a lack of
25 transparency.

1 Q. Did you talk to Russell about it?

2 A. Yes, sir, when I asked if he had served as a
3 conservator before and he said I did it a couple of times and
4 it's no big deal.

5 Q. Yeah. So I think this is another interesting point.
6 So when he says a couple or just a few, there were cases that
7 involved multiple victims; isn't that right?

8 A. Yes, sir.

9 Q. And so when he's referring to one case, he could
10 refer to multiple people, but just refer to it as one, say,
11 the Badger case, the Plyler case?

12 A. Sir, as a banker or a loan officer, there's a
13 responsibility to know your customer. And if Russell was
14 lending money to Alex that wouldn't pull on a credit report,
15 that wouldn't be disclosed in loan offerings, it was just
16 terribly inappropriate.

17 Q. Okay. I'm still not sure what authority you are
18 relying on there. Let me ask you this.

19 A. You might want to ask Bank of America or Wells Fargo
20 what they would do to an employee in those conditions.

21 Q. Are you familiar with the fact that Alex Murdaugh
22 wrote checks to Bank of America as well that were missed?

23 A. Yes, sir.

24 Q. Okay. And nobody there is in trouble; is that
25 right?

1 A. I can't speak to who's in trouble at another bank.

2 Q. Okay. All right. So you said that Russell wasn't
3 transparent. And at the time this would be fall of 2021. So
4 as of November 3rd, would you say he wasn't being transparent
5 at that point?

6 A. About the total involvement exposure to Alex, no. I
7 don't think we ever had total transparency until the internal
8 investigation came out.

9 Q. Okay. And you didn't ask Russell what he was doing
10 to help authorities get to the bottom of this?

11 A. I never would have assumed we would be in this
12 setting, sir. No, I didn't ask that question.

13 Q. Were you aware that Russell met with SLED on
14 November 8th, 2021, and provided basically all the documents
15 that are evidence in this case?

16 MS. STOUGHTON: Objection, Your Honor. He's
17 testifying.

18 THE COURT: It's not in evidence. I sustain the
19 objection. You can ask another question about his knowledge.
20 BY MR. AUSTIN:

21 Q. Okay. Do you have any knowledge that Russell
22 cooperated with law enforcement?

23 A. I know Russell met with SLED.

24 Q. And do you know when or how many times?

25 A. No, sir.

1 Q. Okay. Are you familiar with the fact that he met
2 with the FBI, SLED, U.S. Attorney's Office --

3 THE COURT: There you go. Sustained. Quit
4 testifying, Mr. Austin.

5 BY MR. AUSTIN:

6 Q. Are you familiar he met with --

7 THE COURT: Mr. Austin, I ruled. Don't provide
8 information through your questions.

9 MR. AUSTIN: Okay. Sorry. I think I misunderstood.
10 Let me move on from that.

11 BY MR. AUSTIN:

12 Q. So you talked about the October 31st meeting. At
13 the November 3rd meeting, was the \$680,000 check discussed?

14 A. Yes, sir.

15 Q. And did Russell take responsibility for writing that
16 check?

17 A. He said he wrote the check, yes, sir.

18 Q. Did he blame anybody else for doing it?

19 A. No, sir.

20 Q. Did he say, I was responsible?

21 A. Yes, sir.

22 Q. Okay. So, ultimately, did the bank decide to honor
23 that agreement?

24 A. There was never a vote. I mean, at that point in
25 time, I mean, the money had been deposited four days prior.

1 Q. But at the November 3rd meeting, you learned that,
2 in fact, a pause had been put on that check, didn't you?

3 A. I was told there was a pause, but I've since learned
4 the check had already been cashed.

5 Q. And did you ever suggest or ask that they try to get
6 that money back from PMPED?

7 A. On the meeting of the 31st and the 3rd, we were
8 truly trying to wrap our heads around what had transpired and
9 why and what additional exposure existed.

10 Q. So when we get to December 16th meeting, following
11 month, by that point, the Greg Harris investigation was fully
12 up and running; is that right?

13 A. I would have to see the minutes of the meeting, but
14 Greg was engaged.

15 Q. He was engaged at the Halloween meeting, right?

16 A. Yes, sir.

17 Q. He was conducting his investigation over the coming
18 weeks after that?

19 A. Yes, sir.

20 Q. And you said there was a lack of transparency. I
21 still am not following where you are getting that from. In
22 what way was Russell not being transparent about this at that
23 time?

24 A. I mean, to me, the transparency started when the
25 Satterfield case occurred and we asked about

1 conservatorships. We didn't directly ask, were you involved
2 with Alex. But that information would have been helpful and
3 forthcoming.

4 Q. Okay.

5 A. And that was never provided.

6 Q. So you find fault with him for not mentioning
7 conservatorships from, like, 10 years prior, even though he
8 never hid from you? He brought all of this to the Board, did
9 he not?

10 A. I have no recollection of him bringing all this to
11 the Board.

12 Q. You just testified to that e-mail where he notified
13 the Board about the 680.

14 A. That was a singular response. You just asked me a
15 pretty broad question.

16 Q. Okay. And you are saying that he did not bring to
17 the Board's attention anything else?

18 A. Not from the onset of the full exposure and
19 involvement with Alex.

20 Q. Okay. Because that took some time to put together,
21 didn't it?

22 A. On an individual basis?

23 Q. Sure.

24 A. Are you asking me if it would take him time?

25 Q. Anybody. It took Greg Harris time to put the

1 investigation together. We are talking about transactions
2 that took place 10-plus years ago. And wouldn't you think
3 that would take some time for somebody to track some of these
4 documents down?

5 A. I think the documents could have taken time, but the
6 knowledge of involvement would not have taken time.

7 Q. Okay. And has he ever hidden his involvement in any
8 of these things?

9 A. A lack of transparency can be conceived as hiding.

10 Q. Okay. So let's go to the \$750,000 loan as well.
11 Again, would he not have -- sorry. I forgot I need to ask
12 something about the 680. Under the assent provision of the
13 bylaws, the first one we read, did anybody submit a written
14 dissent with regard to the \$680,000 check?

15 A. No, sir.

16 Q. Okay. And so under the bylaws, the presumption is
17 that they assented to it; is that right?

18 A. I mean, we never discussed it. I mean, we were
19 trying to figure out what the check was for.

20 Q. Okay. But if you had problems with it, you didn't
21 think to just put it in writing, according to the bylaws you
22 are familiar with as a Board member, and ask that a stop
23 payment be issued?

24 A. I don't know how we would stop payment on a check
25 that had been cashed, but if that was the process you are

1 suggesting we should have followed.

2 Q. Do you know where that money is currently located?

3 A. No, sir.

4 Q. Okay. Are you aware that -- well, I don't want to
5 go into that.

6 Let's go to the \$750,000 loan. So for the same
7 reasons that Russell would have had the authority under the
8 bylaws with regard to the \$680,000, wouldn't he also have
9 that authority to approve the \$750,000 loan?

10 A. He would have the authority, but if his account was
11 overdrawn by 400,000 -- and he never told the Board where the
12 money was going.

13 Q. Does he have any obligation to tell the Board where
14 the money is going?

15 A. I think he had an obligation to his family, yes,
16 sir.

17 Q. He has an obligation to his family. Let's talk
18 about this on the bylaws side. Is there any bylaw saying
19 that he had to let the whole Board know about a loan that he
20 entered into with his dad and his sister as three-fourths of
21 the Executive Committee?

22 A. No, sir.

23 Q. Okay. And do you know when the process of getting
24 that loan up and running began?

25 A. No, sir.

1 Q. Okay. What's your -- do you have any general
2 understanding of when that process began?

3 A. Sometime before the check was issued.

4 Q. Okay. Well, we are talking about the \$750,000 here.
5 So when the loan was approved?

6 A. No, sir. I remember we were in a Board meeting and
7 there was a question about it and we couldn't find it on the
8 system.

9 Q. Who is Charles Laffitte?

10 A. Russell's brother.

11 Q. So there's Charlie, the dad, the chairman, and
12 Charles, what does he do at the bank?

13 A. Handles the appraisal work.

14 Q. Okay. And are you aware that he was working on an
15 appraisal during that time?

16 A. No, sir.

17 Q. Did you ever ask him?

18 A. No, sir.

19 Q. And so did you know that an appraisal was scheduled
20 to be conducted on --

21 MS. STOUGHTON: Objection. He said he doesn't know
22 and now we are testifying.

23 THE COURT: You are testifying again, Mr. Austin.

24 MR. AUSTIN: Sorry, Your Honor.

25 BY MR. AUSTIN:

1 Q. What responsibilities do loan officers have to
2 monitor how loan proceeds are spent?

3 A. I mean, they underwrite the risk. They evaluate the
4 collateral. And they make a decision, either issue a loan or
5 not.

6 Q. But once the loan is actually funded and the
7 customer is technically in possession of the money, it's
8 theirs, does a loan officer have to just follow up and make
9 sure that they are spending the money for the stated purpose?

10 A. I mean, that's the way it's worked in other
11 institutions I've banked with.

12 Q. They follow up on how you are spending the money?

13 A. If you take a construction loan, you have draws
14 coming off of it, and they would look at the plans and
15 evaluate what the stated purpose of the loan is for.

16 Q. Construction loan is a little bit different, isn't
17 it?

18 A. This was a renovation.

19 Q. Okay. But he didn't get a construction loan, did
20 he?

21 A. I'm not sure what the nature of the loan was.

22 Q. Okay. But set construction loans aside. Normal
23 loan procedure, is there any obligation on a loan officer to
24 follow the money and make sure it's being used for the
25 purpose stated in the original loan application?

1 A. I am not certain.

2 Q. Okay. So when you say that Russell should have been
3 monitoring how the \$750,000 was spent, where do you get that
4 authority for that statement?

5 A. Well, if he told us the loan was for renovation on a
6 beach house, and he had wired \$350,000 to an attorney and he
7 used 400,000 to cover overdrafts, that's not a forthright and
8 truthful representation of what the loan was for. I don't
9 know what his responsibility is by law or by the bylaws. But
10 he told us, his family, his shareholders, his Board, that it
11 was for one purpose when, in fact, it was not.

12 Q. But Charlie, the chairman, he was completely onBoard
13 with making that loan. He defended it at the Board meeting,
14 didn't he?

15 A. He said he would loan him the money again tomorrow.

16 Q. Okay. And so based on that, does it sound like they
17 discussed the loan and thought it was a good idea?

18 A. They were supportive of the loan.

19 Q. And you are not a banker, are you?

20 A. We covered that.

21 Q. Okay. So you are saying that Charlie -- how old is
22 Charlie now, in his 80s?

23 A. I think he's 83.

24 Q. He's been working in banks his entire life?

25 A. Yes, sir.

1 Q. You are saying your judgment is better than his how
2 to handle this loan?

3 MS. STOUGHTON: Objection.

4 THE COURT: That's improper. Sustained.

5 BY MR. AUSTIN:

6 Q. And do you know if there are times, just in general,
7 when -- you have to approve every loan over \$25,000 -- you
8 have to review it, I should say, at every Board meeting; is
9 that right?

10 A. Yes, sir.

11 Q. Okay. And does anybody check to make sure or bring
12 up whether or not the proceeds are being handled for the
13 reasons that they listed in the original loan application?

14 A. We assume that what's presented is factual and
15 verified through the bank.

16 Q. Have you ever gotten a loan and not spent all of it
17 on the stated purpose upfront?

18 A. Have I ever gotten a loan -- can you repeat that?

19 Q. Are you familiar with any situations, like with a
20 home equity line of credit, where somebody has not used all
21 of that entire line of credit for whatever the original
22 purpose is?

23 A. Well, normally, on home equity line, you just have a
24 cash line, essentially, against the equity in your home that
25 you can use for discretionary purposes. That's a broader

1 loan than borrowing money for a house and do something
2 different with it.

3 Q. And despite the fact that there's an appraisal in
4 the works, did Charlie say that Alex came to him about this
5 loan?

6 MS. STOUGHTON: Objection. Hearsay.

7 MR. AUSTIN: I could rephrase that.

8 THE COURT: Yeah. Sustained.

9 BY MR. AUSTIN:

10 Q. Was Charlie surprised by how the money --

11 MS. STOUGHTON: Objection.

12 THE COURT: How somebody else is surprised is an
13 inappropriate question. Sustained.

14 BY MR. AUSTIN:

15 Q. According to your testimony, Charlie was in favor of
16 the loan; is that right?

17 MS. STOUGHTON: Objection. It's speculation and
18 it's hearsay.

19 THE COURT: No, he can testify to that.

20 THE WITNESS: He was supportive of Alex.

21 BY MR. AUSTIN:

22 Q. Okay. And you mentioned something about funds going
23 to a lawyer?

24 A. Yes, sir.

25 Q. And what's your understanding of the funds that went

1 to a lawyer?

2 A. It was A \$350,000 wire.

3 Q. Did Charlie offer any explanations of that?

4 A. Never discussed.

5 Q. Despite the fact that you disagree with how that
6 loan was ultimately used, whether it's proper, Charlie and
7 Russell and Gray still had the authority to make it; isn't
8 that right?

9 A. I don't take issue -- I take more of an issue with
10 what was shared the purpose of the loan was and the absence
11 of transparency about the transaction.

12 Q. Have you gone back and looked at any other loans
13 since this made by anybody to see if they've used the funds
14 for a different purpose?

15 MS. STOUGHTON: Objection. Relevance.

16 THE COURT: Overruled. He can answer the question
17 if he knows.

18 THE WITNESS: I function in a supervisory role as a
19 Board member, not day-to-day transactions of the bank.

20 BY MR. AUSTIN:

21 Q. Now, did you take part in a retreat in 2020, the
22 leadership of Palmetto State Bank, the whole Board?

23 A. Yes, sir.

24 Q. And was there a consultant that came and spoke with
25 the Board?

1 A. Yes, sir.

2 Q. And at that time, were people polled about
3 potentially selling Palmetto State Bank?

4 A. Yes, sir.

5 Q. And how did that break down? How many people on the
6 Board were in favor of selling as opposed to not, just
7 ballpark? I know it's been a while.

8 A. I don't think anybody was in favor. What we were
9 trying to do was explore what the strategic plan for the
10 institution would be.

11 Q. Okay. And would that include getting it evaluated
12 in order to determine whether it could be purchased at some
13 point?

14 A. We did not get it valued. There was not a valuation
15 performed. But if there was interest in selling the bank,
16 you would have to have a valuation.

17 Q. Is there interest in selling the bank right now?

18 A. No, sir.

19 Q. Okay. And are you familiar with the Loan Repurchase
20 Program?

21 A. Yes, sir.

22 Q. And when was that put in place?

23 A. Couple of years ago maybe.

24 Q. And was it suspended at any point?

25 A. Yes, sir.

1 Q. When was that?

2 A. When all the legal matters began, any of us on the
3 Board would be conflicted.

4 Q. What do you mean by that? I'm not sure I'm
5 following.

6 A. I mean, if we are in the middle of various legal
7 matters that weren't public, wouldn't be proper for anybody
8 to sell their shares back to the bank in the middle of that.

9 Q. Is that just for somebody that's not -- I am not a
10 banker either. Would that be considered insider trading?

11 MS. STOUGHTON: Objection. It's a legal opinion.

12 THE COURT: If he knows.

13 THE WITNESS: I just think the optics are poor;
14 could be.

15 BY MR. AUSTIN:

16 Q. And to your knowledge, has anybody sold any stocks
17 since then, since the suspension of the program?

18 A. Not to my knowledge.

19 Q. Okay.

20 A. Not back to the bank.

21 Q. Not back to the bank. Okay. And you haven't
22 discussed sales of stock by any Board members or their family
23 members back to the bank since December 2021?

24 A. I don't think so.

25 Q. Okay.

1 A. Is there a specific question or instance?

2 Q. I think I can move on from that. After the retreat,
3 did you speak with Charlie Laffitte at all about the prospect
4 of selling the bank?

5 A. I can't remember.

6 Q. Do you remember if he wrote any letters to the
7 Board?

8 MS. STOUGHTON: Objection. His letters would be
9 hearsay.

10 MR. AUSTIN: I didn't ask what they say.

11 THE COURT: I'm struggling with the relevance of
12 this. We've got to stay on the case. Whether the bank is
13 going to be sold or not, unless you can link up why that's
14 relevant --

15 MR. AUSTIN: It's going to take us awhile.

16 THE COURT: Well, you need to lay a foundation for
17 it. Right now, I sustain the objection. It's just not
18 relevant.

19 BY MR. AUSTIN:

20 Q. Are there members of the Board that are
21 interested -- that would never want to sell the bank, to your
22 knowledge?

23 A. Never is an awful long time.

24 Q. What's your understanding of Russell, Charlie, Gray,
25 and Charles's intention for the bank? Do they want to sell?

1 A. I would think not.

2 Q. And they all work at the bank; isn't that right?

3 A. Yes, sir.

4 Q. And amongst the rest of the Board members, only Jan
5 works at the bank; is that correct?

6 A. That's correct, yes, sir.

7 Q. Nobody else works in banks at all?

8 A. No, sir.

9 Q. All right. And can you go through to the Board
10 members and tell me how old they are?

11 MS. STOUGHTON: Objection.

12 THE COURT: I'm struggling with relevance. Let's
13 stay on the facts of this case. I sustain the objection.

14 MR. AUSTIN: Beg the Court's indulgence.

15 BY MR. AUSTIN:

16 Q. Are you familiar with Credit Leader?

17 A. Yes, sir.

18 Q. And what's the purpose of Credit Leader?

19 A. We review it in our Board meetings. It's part of
20 the packet we receive.

21 Q. Okay. And is it fair to say that it leaves
22 additional fingerprints or breadcrumbs for any actions people
23 take at the bank when they log into that system?

24 A. I would not know that.

25 Q. Okay. Do you know who's responsible for putting

1 that system in place?

2 A. No, sir.

3 Q. Okay.

4 MR. AUSTIN: Beg the Court's indulgence. Thank you.

5 I don't have any other questions. Appreciate it.

6 THE COURT: Redirect by the Government.

7 REDIRECT EXAMINATION

8 BY MS. STOUGHTON:

9 Q. Mr. Laffitte, I just have a few follow-up questions
10 for you, particularly as it relates to the bank's bylaws.

11 MS. STOUGHTON: Could we pull up Government's
12 Exhibit 65, please, which is already in evidence. Crystal,
13 I'm not sure the screen is on.

14 Do you want me to try the Elmo?

15 THE COURT: Let's do the Elmo.

16 BY MS. STOUGHTON:

17 Q. All right. This is Government's Exhibit 65. Mr.
18 Laffitte, could you read Section 3.01 of the bylaws to the
19 jury, please.

20 A. Authority. The Board of Directors shall have
21 ultimate authority --

22 MS. STOUGHTON: It looks like the jury can't see
23 this.

24 THE COURT: It's popping up now. Good. Thank you.

25 Q. 3.01, please.

1 A. Authority. The Board of Directors shall have
2 ultimate authority over the conduct and management of the
3 business and affairs of the corporation.

4 Q. Is that consistent with your understanding of the
5 role that the Board of Directors plays in managing the bank?

6 A. Yes, ma'am.

7 Q. All right. This is Section 4.03 of the same bylaws.
8 Could you read that first sentence to the jury, please?

9 A. Chief executive officer, the CEO, shall be the chief
10 executive officer of the corporation and subject to the
11 authority of the Board of Directors, shall manage the
12 business and affairs of the corporation.

13 Q. Subject to the authority of the Board of Directors,
14 is that consistent with your understanding as a Board member
15 of the Board's role in managing the bank?

16 A. Yes, ma'am.

17 Q. All right. 3.19, this one is a little lengthy, so I
18 will give you a minute to review it, if you don't mind.
19 Okay. Could you read the sentence I'm marking off to the
20 jury, please.

21 A. Each committee may also take action without a
22 meeting by consent as to such matters and in accordance with
23 such requirements and procedures authorized by the act for
24 director action.

25 Q. What about the next sentence?

1 A. Unless otherwise permitted by the act for director
2 actions, such consent must be signed by all of the
3 committee's voting members.

4 Q. So this is talking about a committee taking action
5 without a meeting. And you just read it requires the consent
6 of all of the committee's voting members. Is that consistent
7 with your understanding of how the Board and its committees
8 should be operating?

9 A. Yes, ma'am.

10 Q. Mr. Austin asked you about Section 3.16 of the
11 bylaws with respect to the Executive Committee. And you read
12 for the jury that the Executive Committee has authority to
13 settle legal proceedings. Do you recall that?

14 A. Yes, ma'am.

15 Q. I'm going to show you Government's Exhibit 13, which
16 is already in evidence. Bear with me a second because it
17 might take me a second to make it big enough for you to read.

18 All right. At the bottom here is an e-mail from
19 Russell on October 29th, 2021, to the Board. Could you read
20 this e-mail to the jury, please?

21 A. Attorneys were informed but not consulted. They
22 were consulted by phone, so nothing to share. This is not a
23 lawsuit issue. It is a banking issue for us converting
24 checks.

25 Q. Russell says, this is not a lawsuit issue. Did

1 Russell tell the Board that there was a lawsuit related to
2 this \$680,000 payment?

3 A. No, ma'am.

4 Q. Was there a lawsuit related to this \$680,000 payment
5 at that time?

6 A. No, ma'am.

7 Q. All right. Section 3.15, this is another one that
8 you reviewed with Mr. Austin, presumption of assent. It
9 says: A director who's present at a meeting of the Board at
10 which action on any corporate matter is taken shall be
11 presumed to have assented to the action unless such
12 director's dissent shall be entered in the minutes of the
13 meeting or unless such director shall file such director's
14 written dissent to such action with the person acting as the
15 secretary of the meeting.

16 Did the Board of Directors vote to approve the
17 \$750,000 loan?

18 A. No, ma'am.

19 Q. So was there any vote for you to dissent from?

20 A. No, ma'am.

21 Q. Did the Board of Directors ever vote to approve the
22 \$680,000 payment to PMPED?

23 A. No, ma'am.

24 Q. So was there a vote for you to dissent from?

25 A. No, ma'am.

1 MS. STOUGHTON: All right. Thank you, Mr. Laffitte.
2 Those are all the questions I have.

3 THE COURT: Very good. You may step down, sir.

4 MS. STOUGHTON: I believe that Mr. Laffitte is on
5 the defense's witness list as well.

6 THE COURT: Is he relieved?

7 MR. AUSTIN: Yes, sir.

8 THE COURT: Thank you. You may leave. I think this
9 is a good time -- well, it's only three o'clock. Let's go --
10 call your next witness

11 MS. LIMEHOUSE: The Government calls Lucius
12 Laffitte.

13 THE COURT DEPUTY: Please state your full name.

14 THE WITNESS: Henry Lucius Laffitte Jr.

15 HENRY LUCIUS LAFFITTE JR.,
16 having been duly sworn, testifies as follows:

17 DIRECT EXAMINATION

18 BY MS. LIMEHOUSE:

19 Q. Mr. Laffitte, you said your name is Henry Lucius
20 Laffitte; is that right?

21 A. Yes, ma'am.

22 Q. You go by Lucius?

23 A. I do.

24 Q. Where are you from?

25 A. I grew up in Allendale, South Carolina. Currently

1 reside in Beaufort, South Carolina.

2 Q. And what do you do for a living?

3 A. I'm a medical doctor, family medicine.

4 Q. The jury has heard from lots of Laffittes. Please
5 tell them where you fit into the Laffitte family.

6 A. Probably the youngest of a third generation of
7 the --

8 Q. Please remove your mask.

9 A. The youngest of the third generation of the family
10 members that you've heard about. First cousin to Charlie,
11 second cousin to Russell, Charles and Gray.

12 Q. Are you also on the Board of the Palmetto State
13 Bank?

14 A. Yes, I am.

15 Q. Tell us when you began on the Board.

16 A. I started with the sister bank, the Carolina
17 Commercial Bank, in the fall of 1993 in Allendale.

18 Q. So when did the banks merge?

19 A. The banks merged with Exchange Bank, Carolina
20 Commercial, and the Palmetto State Bank in 2007.

21 Q. So you've been a Board member for nearly --

22 A. Almost 30 years.

23 Q. Okay. But no banking experience, just a medical
24 doctor; is that right?

25 A. I'm sorry?

1 Q. No banking experience, just a medical doctor?

2 A. I did have the pleasure of working in the bank one
3 summer after my freshman year at The Citadel.

4 Q. Sounds like you all don't come back after that one
5 summer. So the jury has heard a lot about Alex Murdaugh and
6 a lot about the summer and the fall of 2021. Just describe
7 to them from your perspective what was happening with the
8 bank in the fall of 2021?

9 A. In September of 2021?

10 Q. Yes. Yes.

11 A. That was at a time when we served -- the Palmetto
12 State Bank was served a lawsuit that was involving an
13 employee of the bank at that time.

14 Q. And that was Chad Westendorf?

15 A. Mr. Chad Westendorf, who apparently was acting
16 independently as a personal representative for the
17 Satterfields.

18 Q. Did the bank have a fiduciary program at the time?

19 A. We have never had a fiduciary program that I'm aware
20 of in my 29 years.

21 Q. So prior to September 2021, were you aware of any
22 bank employees or executives serving as a personal
23 representative or conservator?

24 A. No, ma'am, I was not.

25 Q. So y'all were served with a lawsuit, and you learned

1 of this employee serving as a personal representative. What
2 questions did you have?

3 A. Well, we had lots of questions. We actually had an
4 emergency meeting on a Sunday night, the first time in the
5 30-year history that I can remember, to acquire, basically,
6 legal counsel.

7 Q. So after y'all retained counsel to assess the bank's
8 civil liability, what did you learn?

9 A. On that Sunday night?

10 Q. No, from a member of the public.

11 A. I'm sorry. So shortly afterwards, I was approached
12 by a friend in the community who had indicated that he was
13 certainly sorry for the publicity and the name in the paper.
14 And he had basically indicated that he was sorry. And I
15 said, I appreciate that, but, fortunately, we don't have a
16 department, a trust department that deals with that, I think
17 the bank is going to be fine, that this was a unilateral
18 decision by the employee who was working basically on the
19 side of his job to do that.

20 Q. So what did he express to you?

21 A. He indicated that he wasn't sure how to really say
22 it, but I might would like to ask, that he had information to
23 me at that point that perhaps a Laffitte from the Hampton
24 bank was involved with a fiduciary relationship with someone
25 else other than the Satterfields.

1 Q. So this person told you that there may be a Laffitte
2 from the Hampton branch who was, in fact, involved in a case?

3 A. That's correct.

4 Q. Did he mention any names?

5 A. Just the last name Laffitte, fairly tall, white
6 male, branch of Hampton.

7 Q. And did he mention anybody who was the person who
8 was serving as a conservator for?

9 A. Yes, he did.

10 MR. AUSTIN: Your Honor, we object. This is all
11 hearsay.

12 MS. LIMEHOUSE: It's not offered for the truth of
13 the matter.

14 THE COURT: As I understand, it's not offered for
15 the truth, but the basis for what he then does.

16 MS. LIMEHOUSE: That's correct, Your Honor.

17 THE COURT: Overruled.

18 BY MS. LIMEHOUSE:

19 Q. So a member of the public tells you that he believes
20 a Laffitte from the Hampton branch, tall, white male, served
21 as a conservator?

22 A. That's correct.

23 Q. Did he tell you who this person was that he served
24 as conservator for?

25 A. Only the name.

1 Q. And what was the name?

2 A. Mr. Hakeem Pinckney.

3 Q. So this is about September 2021?

4 A. Yes.

5 Q. What did you do with that information?

6 A. Well, at the next -- it was the third Tuesday. It
7 was after the Sunday meeting. At the bank Board meeting, I
8 asked everybody in the room that, has anybody been a
9 fiduciary of some sort, whether it be a personal
10 representative, a conservator, or power of attorney. And I
11 started with Charlie, who had indicated that he had been
12 remotely once. He couldn't remember, it took a lot of time
13 and a lot of effort, he would never do it again.

14 Going down the road, Russell was the next one. And
15 he indicated that he had done one or two, maybe a couple,
16 could not remember, been so long ago.

17 And then his brother, Charles, is the only other
18 Laffitte banker that fit that description. I asked Charles
19 the same. None of them had indicated that they had ever been
20 a fiduciary to Mr. Hakeem Pinckney.

21 Q. So you mentioned the name Hakeem Pinckney?

22 A. Yes.

23 Q. What was Russell's response when you asked about
24 Hakeem Pinckney?

25 A. When I asked again, he made a rhetorical question to

1 his sister, Gray Henderson: Is that the guy from Yemassee?

2 Q. Did he indicate that he had served as conservator
3 for Hakeem Pinckney?

4 A. All of them had indicated they had not served for
5 Mr. Hakeem Pinckney.

6 Q. So you have this information from someone in the
7 public who has told you that a Laffitte at the Hampton branch
8 served as a conservator for Hakeem Pinckney And now you've
9 been told by Russell that he did not serve as a conservator
10 for Hakeem Pinckney. What did you do with that information?

11 A. Not just Russell, but Charlie and Charles as well.

12 Q. So what did you do?

13 A. It was a little bit conflicting. If that was the
14 case, perhaps it might have been one or two that he was
15 talking about, because I think Mr. Hakeem Pinckney also had a
16 relative involved with the crash. And I was no way
17 insinuating that he had done anything wrong if he had been a
18 personal representative. Even though our bank bylaws or the
19 handbook certainly says it's preferred not to do that, he
20 certainly could have done that. And I was in no way
21 insinuating that he had been and had done anything wrong.
22 But it certainly piqued my interest when a few weeks later we
23 get another emergency meeting on another Sunday night, the
24 second time in at least a month, for 30 years, we've never
25 had that, with another potential settlement where Russell or

1 anybody from the bank was involved.

2 Q. So what did you do to gain more information about
3 this Hakeem Pinckney situation?

4 A. Well, I was able to look up the public record, the
5 southcarolinacourts.org. And I searched for Mr. Hakeem
6 Pinckney until I found in the record where the gentleman who
7 had given me the information name was on the actual chart.
8 And Russell Laffitte was listed, along with several other
9 attorneys. But at that point, it still did not mean anything
10 to me other than --

11 Q. You are a doctor.

12 A. -- potentially that he had been a personal
13 representative and he may have forgotten or may have not, but
14 we needed to track this down.

15 Q. So what did you do with that information you found
16 on the public record?

17 A. On the October, the Halloween night meeting is when
18 we had an emergency meeting. And we had a set of lawyers
19 that said that's not their wheelhouse, this is an issue that
20 we need additional attorneys. And we hired an investigative
21 team and an attorney from the FDIC. And that information was
22 given to the bank president at the time. It was e-mailed to
23 the present attorneys that we had. And it was given to the
24 investigative attorney, I think within 48 hours of his
25 arrival on the scene.

1 Q. So you took the information you found on the public
2 record and you shared it with the attorneys y'all had
3 retained to assess the liability and conduct an internal
4 investigation?

5 A. Well, I gave it to the original attorneys who were
6 involved with the Satterfields. And at the next meeting, the
7 emergency meeting, we hired the group because the original
8 attorneys said they were not criminal attorneys, we needed to
9 get expertise in that field, along with the FDIC attorney.

10 Q. So a few months after you all retained counsel, was
11 there a vote to remove Russell?

12 A. Yes, there was.

13 Q. Was it a unanimous vote?

14 A. It was not unanimous.

15 Q. Who voted no?

16 A. His father and his brother.

17 Q. And who abstained?

18 A. His sister, Gray.

19 Q. How did you vote?

20 A. I voted to fire him.

21 Q. And why?

22 A. I voted to fire Russell because I felt that he --
23 not that I felt, that he was intentionally deceptive. He was
24 dishonest. He had converted checks through a stolen
25 settlement. He was not forthcoming and apparent. He

1 actually partially obstructed the investigative team by not
2 fully cooperating. He failed in his fiduciary relationship
3 with the Board and the stockholders. At that point, as a
4 cousin that loved him very much, I did not fire him because
5 of his actions that may have been embarrassing to the family,
6 it's our name, I fired him because I had a fiduciary
7 relationship to the Palmetto State Bank that his grandfather,
8 that his great-grandfather and his father, integrity
9 throughout their life that had run that bank.

10 MS. LIMEHOUSE: No further questions, Your Honor.

11 THE COURT: Cross-examination

12 CROSS-EXAMINATION

13 BY MR. AUSTIN:

14 Q. Good afternoon.

15 A. Good afternoon.

16 Q. My name is Matt Austin. I represent Russell. While
17 I get myself set up here, to follow correctly, you are a
18 physician?

19 A. That is correct.

20 Q. Okay. And aside from minor jobs, you never really
21 worked in a bank as a full-time career?

22 A. No, sir, I have not.

23 Q. How do you do your role on the Board in comparison
24 to the Board members who are actually working at the bank and
25 are career bankers?

1 A. I think all of us on the Board share the same
2 responsibility, that we are to uphold the corporate
3 governances, that we are to implement policies and
4 procedures. And my role is to see that we vote to put the
5 employees, the executive bankers, in a position to run the
6 bank. I'm a medical doctor on the Board. I am not in the
7 day-to-day -- I don't do credit loans. I don't do credit
8 checks and make loans. My job is to make sure that the
9 policies are carried out. And I look at it as somewhat like
10 a barn owl. An owl has senses of sight and hearing. I don't
11 make a lot of noise at the barn -- at the Board meetings,
12 because my job is not to be in the face of the executives.
13 They have their job to do. But if something goes across the
14 line that I think is not right, I can use the sharp talon to
15 point to that deficit and say, we need correction, or we need
16 change. And that's how I foresee my Board.

17 Q. That's a good description. So as a Board member,
18 are you familiar with the bylaws of Palmetto State Bank?

19 A. Fairly familiar. I don't have them memorized, but
20 we have been through several sections over the last 30 years.

21 Q. And how long have you been on the Board again?

22 A. I started with the Carolina Commercial Bank in the
23 fall of 1993.

24 Q. And that's separate from --

25 A. That was a sister bank that also merged with the

1 Exchange Bank in Estill to form a larger Palmetto State Bank
2 in the year 2007.

3 Q. Got you. It's hard to keep track of the different
4 mergers that happened. Since you've been on the Board, how
5 would you say the bank has done performance-wise?

6 A. Exceptionally well. Charlie, his brother, my uncle,
7 his son, they have run an exceptionally good bank.

8 Q. And what do you attribute that to?

9 A. Well, they follow the corporate bylaws and
10 procedures that we had delegated to them. And they were
11 profitable, I think, in most years that I've been on the
12 Board.

13 Q. The bank was voted number one in South Carolina at
14 some point, right?

15 A. I think there are different categories. We did make
16 one. I'm not sure exactly what, if that was in the
17 efficiency rating or overall rating. But they have done an
18 exceptionally great job. And I'm so proud of them.

19 Q. What's the end result of that? Does that mean more
20 money for the shareholders?

21 A. Yes.

22 Q. Okay. And would you say that Russell has been a big
23 part of that success?

24 A. Russell has been instrumental in the last decade, I
25 would say, as his role at the Hampton bank.

1 Q. As a Board member, are you familiar with the
2 profitability of the different branches of Palmetto State
3 Bank?

4 A. Absolutely.

5 Q. Okay. And are you familiar with the fact that
6 Hampton is generally the best performer?

7 A. That is our -- they are the main bank in the system,
8 yes.

9 Q. Where are the other branches?

10 A. We have one in Allendale, in Fairfax, Estill,
11 Burton, Ladies Island, and Bluffton.

12 Q. Okay. And Ladies Island, is that basically --

13 A. Beaufort.

14 Q. Beaufort. Okay. And Hampton County is an
15 economically distressed county; isn't that right?

16 A. For the past several years it's been heading that
17 direction, I would say.

18 Q. I mean, there's not a lot of industry in Hampton; is
19 that fair to say?

20 A. I would say that's -- I don't live in Hampton. I go
21 to meetings, but I would definitely say that it's not as
22 vibrant as Bluffton, Beaufort.

23 Q. Okay. So despite all of that success during that
24 time -- well, I guess, let me rephrase that. Hampton has
25 been doing better than Beaufort and every other branch. And

1 Beaufort, I say Ladies Island, but do you attribute that
2 success to Russell?

3 A. I do not. I think if you look at even the Allendale
4 branch, which is probably the most impoverished county in the
5 state, I think that branch has done successfully through the
6 years. So I can't attribute it to just one individual.

7 Q. Well, in part, would you say that Russell has tried
8 to help the bank during this time?

9 A. Russell has tried to help the bank. His father and
10 his sister and his brother had been outstanding bankers.

11 Q. Dedicated to making sure the bank succeeds?

12 A. That is correct.

13 Q. Okay. And have you been happy -- until this
14 situation, have you been happy with his service as CEO?

15 A. Yes. I'm sorry, sir. Until which situation?

16 Q. Until what brought us here today, until everything
17 about Alex Murdaugh came out in the fall of 2021?

18 A. Yes. It was in July, September, August, I think.
19 That would be the time frame that I think that we would be
20 talking about.

21 Q. When did you all ultimately fire Russell?

22 A. January of 2022.

23 Q. Okay. January 7th, does that sound right?

24 A. I don't have the exact date with minutes.

25 Q. Some time in January. And when would you say that

1 you hired Greg Harris to do the internal investigation?

2 A. Halloween night, Game 5, World Series, Sunday at
3 eight o'clock.

4 Q. So stands out a little bit?

5 A. Yes, it did.

6 Q. So if I'm getting this timeline right, Greg Harris
7 and an investigative team is hired?

8 A. We started a Litigation Committee formed with
9 several members on the Board. And it's my understanding Mr.
10 B.T. Atkins, who is also an expert in the FDIC era realm of
11 this department, was also hired and engaged that night.

12 Q. And based on their work, starting October 31st, by
13 January 7th --

14 MS. LIMEHOUSE: Objection, Your Honor. May we
15 approach briefly?

16 THE COURT: You may.

17 (Whereupon, the following bench conference takes
18 place.):

19 MS. LIMEHOUSE: I didn't want to do a speaking
20 objection.

21 THE COURT: That's a nice development.

22 MS. LIMEHOUSE: We have, at the Court's very clear
23 direction, streamlined our case. Didn't get into everything
24 with Mr. Laffitte and Board members. He was here for a very
25 limited purpose. I think to allow Mr. Austin to get into all

1 the things that happened that we didn't get into on direct is
2 outside the scope.

3 THE COURT: Well, explain to me, Mr. Austin, about
4 the relevance of these questions. Why are you going into
5 these areas?

6 MR. AUSTIN: Our position and our defense is that
7 they rushed through the investigation, that they didn't have
8 all the facts and made bad decisions and didn't understand
9 what they were doing. And there's a segment of the Board
10 that rallied against him and didn't operate -- they
11 misunderstood what was going on. They didn't do their due
12 diligence. And that has bled into every other piece of the
13 case. The fact that he was fired has been used against him
14 over and over by the Government. Every single person that
15 testified from the bank has testified to him being fired.
16 And that makes it look like there was this considered action
17 that he messed up in a major way. And it completely ignores
18 the fact that he was acting in good faith, believing that he
19 operated under the bylaws and with the consent of the entire
20 Executive Committee with the exception of Jan Malinowski.

21 THE COURT: Well, I'm just struggling how this
22 witness is going to get --

23 MR. AUSTIN: He's part of all these decisions.

24 MS. LIMEHOUSE: We have another Board member next
25 who is going to talk about --

1 MR. AUSTIN: I'm not asking the Government to admit
2 any --

3 THE COURT: I'm going to allow the question. Let's
4 take a break.

5 (Bench conference ends.)

6 THE COURT: Ladies and gentlemen, we will take our
7 afternoon break.

8 (Jury leaves open court at 3:22 p.m.)

9 THE COURT: We will be at ease for about 10 minutes.

10 (Whereupon, a recess transpired.)

11 (Whereupon, the jury returns to open court at 3:35
12 p.m.)

13 THE COURT: Please be seated. Mr. Austin, you may
14 continue your cross-examination.

15 MR. AUSTIN: Thank you, Your Honor.

16 BY MR. AUSTIN:

17 Q. Dr. Laffitte, you mentioned earlier going online and
18 running a search for Hakeem Pinckney And that's sort of what,
19 I guess for lack of a better term, initiated your
20 investigation into what was going on with Russell; is that
21 right?

22 A. Did I go online to South Carolina Courts?

23 Q. Yes.

24 A. Yes, I did.

25 Q. And did you look in a particular county?

1 A. I want to say the 14th Circuit comes to mind. There
2 was a date, October 7th that was closed. I assume that was
3 something in the near future that was going on that this
4 particular person had been involved with that had actually
5 given me the information.

6 Q. Okay. So I'm going to show you what's been marked
7 as Defendant's Exhibit 82. This is not in evidence.

8 MR. AUSTIN: May I approach, Your Honor?

9 THE COURT: Have you shown it to the --

10 MR. AUSTIN: Yes, sir.

11 MS. LIMEHOUSE: He has, Your Honor.

12 BY MR. AUSTIN:

13 Q. Take a look at that please and tell me, is that the
14 case that you looked up on the Supreme Court website?

15 A. I'm sorry. The question again, please?

16 Q. Is that a fair and accurate representation of what
17 you saw when you looked up --

18 A. It's in a different format from when I printed it.
19 And I actually had to do it on my cell phone because I'm a
20 solo practitioner, and I don't know how to use the actual
21 copier without other staff members doing it. So I may have
22 cut off some of the dates. I'm not familiar with the 4/26/10
23 date. But I do see the person who actually had given me the
24 information listed. And I do see other attorneys that were
25 on here as well that I recalled, but I don't know all of

1 them.

2 Q. Okay. Does it appear that the information is
3 substantially similar to what you saw that day?

4 A. Yes, sir.

5 Q. Would you agree this is a fair and accurate
6 representation of the case that you looked up?

7 A. Yes, sir.

8 MR. AUSTIN: All right. Your Honor, I move
9 Defendant's Exhibit 82 into evidence.

10 THE COURT: Is there an objection?

11 MS. LIMEHOUSE: No objection, Your Honor.

12 THE COURT: Defendant's Exhibit 82 is admitted
13 without objection.

14 (Defendant's Exh. 82 is received in evidence.)

15 BY MR. AUSTIN:

16 Q. Please publish 82. Okay. So right there it's
17 Russell Laffitte.

18 JUROR: We don't all have it, none of us.

19 MR. AUSTIN: That's all right. We can just describe
20 it.

21 THE COURT: Okay. Please continue, Mr. Austin.

22 BY MR. AUSTIN:

23 Q. So when you looked this up, you saw Russell
24 Laffitte's name to the left. And he's listed as plaintiff;
25 is that right?

1 A. Under the party type it lists plaintiff.

2 Q. And now look down below, and we see Richard
3 Alexander Murdaugh. Is that Alex Murdaugh?

4 A. Yes, sir.

5 Q. Okay. And he is listed as what?

6 A. Plaintiff attorney.

7 Q. Plaintiff attorney. All right. So based on this,
8 did you have any understanding of what Russell and Alex's
9 relationship was?

10 A. I had no understanding about this at all other than
11 the fact that there was a potential fiduciary relationship
12 carried on possibly by a Laffitte banker from Hampton. And
13 that was all I basically could surmise out of this.

14 Q. And I don't want to mischaracterize it, but it
15 sounded earlier like you said that under the handbook of PSB,
16 it's not prohibited to be a fiduciary?

17 A. Absolutely.

18 Q. Okay. So it's not something -- I mean, obviously,
19 there are potential downfalls or we wouldn't be here today if
20 there weren't potential downfalls.

21 A. I just had not heard of anyone ever participating in
22 that type of activity on the clock as a banker.

23 Q. I'm sorry?

24 A. I had never heard of anybody in the bank working on
25 the clock doing this as a sideline job basically under the

1 auspice of the Palmetto State Bank. I just never heard of
2 that.

3 Q. And did you ever ask Russell about his service as a
4 conservator, PR, in any of these cases?

5 A. Only when I specifically asked about Hakeem
6 Pinckney.

7 Q. He didn't remember it at the time?

8 A. At the time, he said, preface of the question, he
9 had done one or two cases, maybe a couple, it's been so long
10 ago, I can't remember. Specifically, Mr. Hakeem Pinckney he
11 did not recall that name at all.

12 Q. And which meeting was that?

13 A. This was the September 3rd, Tuesday of the month,
14 after the emergency Sunday night meeting that we had to
15 acquire the attorneys.

16 Q. So you said September 3rd --

17 A. Not September 3rd, the third Tuesday of the month.

18 Q. Did you mean November 3rd?

19 A. No, sir, September 3rd.

20 Q. Y'all just went to hire the attorneys? Are you
21 talking about Greg Harris or Trenholm Walker?

22 A. We had met on Sunday night prior --

23 Q. Okay.

24 A. -- with our regular attorneys who had been acquired
25 to help defend the Satterfield case.

1 Q. Okay. So September 3rd, can you --

2 A. Not September 3rd. The third Tuesday of the month.
3 I could look at the minutes and potentially get the right
4 date.

5 Q. Okay. So in that meeting, how would you describe
6 the tenor of the discussions?

7 A. The tenor of whose discussions?

8 A. Of the Board's discussion. Was it pretty heated?

9 A. Well, we were a little concerned not knowing exactly
10 what was going on, to be honest. To meet on a Sunday night,
11 having been served a lawsuit, I would say that everybody's
12 antennas were up to find out what exactly had transpired,
13 what liability, if we had any, who gave information or
14 approval for this employee to participate in this activity.
15 I would say it was a meeting that was more spirited than
16 usual.

17 Q. Especially considering it's all family members too,
18 there's sort of an extra filter, I guess, is the best thing,
19 right? Family member fights is a little bit different?

20 A. No, we were all very cordial.

21 Q. But, nonetheless, it was a pretty heated exchange?

22 A. I wouldn't say heated. It was an interesting
23 conversation between who, what, when, and why, who was
24 involved, where did it happen, how long did it happen.

25 Q. Most of these questions are directed at Russell; is

1 that right?

2 A. You said the general tenor of the Board, I suspect,
3 would have been directed more so towards Russell.

4 Q. What do you remember?

5 A. I remember that he was acting CEO at the time. And
6 so he was the head of the -- he wasn't sitting on the end,
7 but he was sitting next to the CEO -- I mean, next to the
8 Chairman of the Board.

9 Q. Buck stops with him? He's in charge, so he's got to
10 answer the tough questions, right?

11 A. I'm sorry?

12 Q. He's in charge, he's the one who's got to answer the
13 tough questions?

14 A. He was answering tough questions. The Board is
15 ultimately in charge.

16 Q. Okay. Right. This is probably a good time to go
17 through the bylaws here. If you could please go to -- I
18 apologize to the attorneys that have already seen this so
19 many times, but bears repeating. If you go to Section 3.15.
20 Are you familiar with this section of the bylaws? So does
21 this essentially say if you disagree as a Board member, you
22 need to put it in writing and submit it to the Board?

23 A. Sir, I am not exactly sure what this paragraph says.

24 Q. Well, let's take a look.

25 A. I may need some time to digest it. We've got the

1 split screen and it's pretty bold. But I can read it to you
2 and try to take my time to interpret. But I don't know
3 exactly what you are asking or what I'm trying to tell you.

4 Q. Is it fair to say that if you, as the Board member,
5 are a participant in a meeting --

6 A. If I am a Board member participating in a meeting --

7 Q. Correct. -- and an action is taken -- and so I'm
8 going to fast-forward to the November 3rd meeting, 2021.

9 A. I would need a copy of that --

10 Q. Board meeting in November 2021 to discuss the
11 \$680,000 check?

12 A. Yes. If I could have a copy of the minutes, I might
13 be able to refresh my memory much quicker.

14 Q. Sure. I just want to go off your memory right now.
15 Do you remember being a part of that meeting?

16 A. Which meeting again, sir?

17 Q. Meeting to discuss the \$680,000 check that was
18 written to PMPED.

19 A. That was a Friday night that we met. I'm sorry. We
20 got e-mails about a 680 loan on a Friday evening. And we met
21 that Sunday. I'm not sure. That would have been the 31st.
22 That's the Halloween night.

23 Q. And then you all end up meeting as a full Board on
24 November 3rd. Does that sound about familiar?

25 A. That does sound familiar. I don't know if I can say

1 the exact date, but it was shortly after that.

2 Q. Do you recall discussions around that time frame --

3 A. Again, would it be possible -- you are asking me so
4 many questions about the minutes. Could I please see a copy
5 of these minutes?

6 Q. Well, that would be very helpful because it's not in
7 the minutes. Because the \$680,000 check was discussed in
8 executive session; is that right?

9 A. I would have to look at the minutes, please.

10 Q. You don't remember. Okay. So did the Board ever
11 ratify or honor Russell's agreement with PMPED to negotiate
12 the \$680,000 check?

13 A. Absolutely not.

14 Q. Okay. And why do you say that?

15 A. Because a ratification, in my knowledge, is an
16 official formal stamp, a vote, and discussion prior that the
17 Board and the minutes, if I do recall those minutes, have no
18 indication that we ever did that.

19 Q. Right, because you discussed it in executive
20 session, right? Isn't the purpose of executive session --

21 A. We had executive session minutes where we also
22 discussed the Satterfield case that same night where Charlie
23 had made the motion and we voted on the settlement, all in
24 the Executive Committee minutes, if I recall. If I could see
25 it, I might be able to explain it better, please.

1 Q. Well, executive session is different from Executive
2 Committee, isn't that right?

3 A. I'm sorry. If I said Executive Committee, you are
4 absolutely right. It was an executive session, but we have
5 minutes outlining our vote procedures and all of the --

6 Q. Okay. So you are saying that nobody ever ratified
7 that decision?

8 A. That is --

9 Q. Next question I have --

10 THE COURT: Let him answer.

11 THE WITNESS: You said we had never ratified this.
12 We did not have a vote. There was no ratification. There
13 was nothing that the Board ever dealt to anybody at the
14 Murdaugh law firm. It was Russell unilaterally who made that
15 whatever agreement he made.

16 BY MR. AUSTIN:

17 Q. And did Charlie or Gray make any comments about the
18 \$680,000?

19 A. I don't recall any comments from them at all.

20 Q. Did you ever ask them if they consented to that
21 payment?

22 A. I had never asked them.

23 Q. Is it your understanding that Russell has maintained
24 that they --

25 MS. LIMEHOUSE: Objection, Your Honor. He's

1 testifying.

2 THE COURT: Sustained.

3 BY MR. AUSTIN:

4 Q. Okay. So after that meeting on November 3rd, did
5 you ever, in compliance with Section 3.15, ask that that
6 check be withdrawn?

7 A. Could you help me a little bit about Section 3.15?

8 Q. Right here. This says --

9 A. I understand that, but I'm a medical doctor, and
10 this is where the old barn owl gets a little bit confused.
11 Owls are not the smartest one in the bunch.

12 MS. LIMEHOUSE: Objection, Your Honor. He said that
13 they didn't take any action. And he's asking about him
14 writing a dissent to an action.

15 THE COURT: I think the doctor can explain. Go
16 ahead.

17 BY MR. AUSTIN:

18 A. Please --

19 Q. So if I'm understanding this section right, to file
20 dissent or to document dissent for any action taken, the
21 meeting of the Board of Directors, and there's a November 3rd
22 meeting, you would have to put it in writing and file it with
23 the Board. Does that match up with your interpretation of
24 this section?

25 A. I'm sorry. I'm a little slow.

1 Q. Did you ever file a written dissent of any kind,
2 attempt to try to oppose that \$680,000 check?

3 MS. LIMEHOUSE: Objection, Your Honor. He's
4 assuming facts that are not in evidence.

5 MR. AUSTIN: I asked has he ever tried to oppose it.

6 THE COURT: Mr. Austin, this is the confusion, the
7 doctor has testified that the Board never acted. And you are
8 asking him to -- you are asking him did he file a dissent for
9 an action that didn't occur. That's the confusion here.

10 MR. AUSTIN: Sure. Okay.

11 THE COURT: I'm going to sustain the objection as
12 just being confusing under 403.

13 MR. AUSTIN: My apologies. I think I can tie this
14 in.

15 BY MR. AUSTIN:

16 Q. Let's move on to the next section covering the
17 chairman's authority. 3. -- I'm sorry, 4.02. Now in the
18 highlighted part here, you see where it says that the
19 chairman may execute on behalf of the corporation any
20 contracts, agreements, and then there's several other
21 documents described.

22 A. Yes, I see that.

23 Q. Okay. And would an agreement to settle any
24 potential claims between PMPED and the bank fall under what
25 would be considered an agreement?

1 A. Potentially on some occasion. This was a very
2 unique situation.

3 Q. Okay. But just sticking with the bylaws.

4 A. Sticking with the bylaws and knowing that we had
5 met, that the Executive Committee was on a rabbit-hole path
6 to try to hire attorneys to defend something that really --
7 that the Board found out and said that's not the type of
8 attorney we need. And at that point, all bets are off for
9 anybody doing anything unilaterally. We are a team at
10 Palmetto State Bank. We will do everything together. And
11 Russell or anybody else is not to make any decisions of this
12 matter involving this lawsuit, not one, but potentially two
13 on the leash, until our counsel that has been hired
14 appropriately has been involved with it.

15 Q. Is there any requirement in the bylaws that you hire
16 counsel before you can take an action like this?

17 A. Is there any requirement in the bylaws that we hire
18 counsel? I'm not sure about that. But I do know at that
19 meeting we had two attorneys present on our Board with a vast
20 experience that none of us else knew. And their
21 recommendation was to immediately hire counsel even before we
22 hired the counsel to deal with the insurance. And so it was
23 very complicated for somebody like myself and the majority, I
24 would say everybody else on the Board, except the two
25 attorneys present. So it was a very, very complicated

1 situation that I don't think any of the written bylaws would
2 pertain to under these circumstances. Two meetings out of 30
3 years emergently, it was an unusual night.

4 Q. Okay. Did you raise these concerns you are
5 outlining right now at any of these meetings that took place
6 in the fall?

7 A. Did I raise which concern?

8 Q. The ones that you just outlined.

9 A. I think the general consensus was that our lead
10 attorney would be the person who would be handling the
11 communications with the other attorneys, the media, and
12 anybody else.

13 Q. Isn't it true that your attorney told the Board that
14 it's in the best interest of the --

15 MS. LIMEHOUSE: Objection, Your Honor. Privileged
16 communications.

17 MR. AUSTIN: Impeaching him, Your Honor.

18 MS. LIMEHOUSE: And hearsay, Your Honor.

19 THE COURT: Let me read the question here.

20 MR. AUSTIN: Goes to the effect on the listener.

21 THE COURT: I'm going to sustain on attorney-client
22 privilege at this point and hearsay.

23 BY MR. AUSTIN:

24 Q. After the November 3rd meeting, you already
25 testified you did nothing to try to prevent that check from

1 being kept by PMPED; is that correct?

2 A. I'm sorry. Are we at the November 3rd meeting?

3 Q. Correct.

4 A. Where I've asked for the Executive minutes. I'm
5 going based on recollection. I know we did not ratify -- we
6 did not vote on anything to do with what you are discussing,
7 but we did deal with the Satterfield case. We have minutes.
8 I've seen them, but I don't have them in front of me, but I
9 can assure you, there's nothing else on there regarding the
10 other case.

11 Q. I jumped ahead. If we can go back to 3.16, outline
12 of the Executive Committee authority. Starting on the first
13 highlighted part, you see where the Executive Committee is
14 given the authority to exercise the extent permitted by
15 applicable law all the power and authority of the Board of
16 Directors?

17 A. Yes, sir.

18 Q. And that's the full authority of the Board?

19 A. That is, with exceptions.

20 Q. Sure. And like the provision we were just talking
21 about requiring a written dissent if the Board action is
22 something you disagree with, correct?

23 A. All I indicated was that in this particular
24 situation, that the Board is in charge of the Executive
25 Committee. The Executive Committee has their rules and

1 regulations that they are to abide by. But under these
2 circumstances, we had indicated that our attorney would be
3 the person who would be handling it and it would supersede
4 anything that our Executive Committee minutes or our bylaws
5 or anything else had because we were working through this
6 very critical situation.

7 Q. So you had that specific conversation?

8 A. That was in general at the Board.

9 Q. That's your understanding of it?

10 A. That is my understanding of what we were doing, that
11 Russell or anybody else on the Board was not to proceed with
12 anything without the advice of counsel that we had just
13 hired.

14 Q. Okay. Like meet with law enforcement?

15 A. That was something that, as I had mentioned, that
16 they were starting out. We found out that law enforcement
17 had come to the bank. They were investigating. The
18 Executive Committee minutes back in that meeting that I was
19 referring to, that's how we found out. I was on the Audit
20 Committee which found out shortly thereafter. And our Board,
21 and we all sat down and said, this is what needs to be done
22 and this is how we are going to have to do it.

23 Q. And during that meeting where you found out about
24 law enforcement coming to PSB, who do they meet with?

25 A. Who did who meet with?

1 Q. Who did law enforcement meet with at the bank?

2 A. I don't know if you recall, I am not an employee of
3 the bank, I'm a director. So I don't have any idea about the
4 day-to-day operations of what took place in Hampton --

5 Q. During that discussion with the Audit Committee,
6 y'all didn't talk about what law enforcement did, who they
7 talked to, or what the focus of their investigation was?

8 A. We did not.

9 Q. You never found out?

10 A. We did not discuss about the law enforcement and who
11 they met and what documents were asked. We were under the
12 impression they were asking for millions -- not millions, but
13 hundreds of documents.

14 Q. Okay. And how would you form that impression? Did
15 you talk to somebody or did somebody at the Board --

16 A. Jan Malinowski at the time was the president of the
17 bank. And he also sits on the Audit Committee. He also is
18 on the Executive Committee. And that's how the Audit
19 Committee found out about it.

20 Q. And he's responsible for writing all Executive
21 Committee meeting minutes; isn't that right?

22 A. I'm not sure. I've seen his name the majority of
23 the time on the Executive Committee meeting minutes.

24 Q. Okay. So if he's in charge of writing Executive
25 Committee meeting minutes and something is not in there,

1 would that ultimately fall on him?

2 A. As far as being --

3 Q. Having correct minutes.

4 A. For the Executive Committee?

5 Q. Yes, sir.

6 A. I would suspect so, yes, sir.

7 Q. And Gray Henderson, as the secretary for the general
8 Board, has same responsibility for Board meetings?

9 A. Yes.

10 Q. Let's go to -- actually, before we leave this, the
11 Executive Committee has the authority here to bind the
12 corporation and defend or settle legal proceedings; is that
13 right?

14 A. Again, sir, you are taking excerpts out of an
15 entire -- this is Section 3.16. I think if you would go back
16 to one of the sections that the Board has ultimate authority
17 over the Executive Committee and its employees, and as I
18 indicated, this was a special circumstance. And I think that
19 you are taking things out of context and not allowing me to
20 see the entire sections 3. whatever, .10 and everything else.

21 Q. I am not arguing with you.

22 A. I am not arguing either. I'm saying it's awfully
23 difficult for me to say yes or no to something that I know is
24 not the case.

25 Q. And I agree with you that the Board ultimately has

1 full authority over everything. But did they ever exercise
2 that authority to prevent the \$680,000 from being paid?

3 A. So you are asking me did the Board exercise
4 authority, meaning they did some ratification?

5 Q. Did they do anything?

6 A. The Board never voted on the \$680,000. When I got
7 the message in my e-mail on Friday afternoon, the money was
8 already out the door.

9 Q. Okay. And was it your understanding there was a
10 pause put on that payment?

11 A. I'm sorry?

12 Q. Was it your understanding there was a pause put on
13 that payment at any point?

14 A. Was there a pause put on the payment?

15 Q. Yes, sir.

16 A. I think what you are referring to is our attorney
17 was concerned about an indemnification that the Murdaugh law
18 firm would then not sue us if that money never got to the
19 other victim. I don't know about how the pause would work,
20 but that was more of, don't let the law firm hand out the
21 money to the victim without giving us some indemnification or
22 some release in case they wanted to turn back around and sue
23 the bank --

24 Q. Okay.

25 A. -- in a retrade-type deal.

1 Q. So it's your position that the \$680,000 was only
2 approved by Russell?

3 A. That was my understanding.

4 Q. Okay. And you never heard Charlie or Gray
5 acknowledge being a part of that vote?

6 A. I did not --

7 Q. Let's go to --

8 A. -- at that particular meeting that you are
9 referencing.

10 Q. At any meeting?

11 A. Only have heard reference that Russell had
12 indicated --

13 MS. LIMEHOUSE: Objection, Your Honor.

14 MR. DANIEL: Let him answer the question.

15 THE COURT: What's the objection?

16 MS. LIMEHOUSE: He has testified that he never heard
17 that before. And he's trying to get in his own defendant
18 statements --

19 THE COURT: He's now indicating he knew something
20 and this is cross-examination. Overruled.

21 THE WITNESS: Are we able to go through the internal
22 investigation? Because that's where I'm --

23 THE COURT: Well, let's go through this. Why don't
24 you ask the question and then I will deal with it. What's
25 the specific question?

1 BY MR. AUSTIN:

2 Q. I think the question was, at any point did --

3 THE COURT: You asked him did he hear anyone else,
4 right?

5 MR. AUSTIN: Oh, I'm sorry. Sorry.

6 THE COURT: That's the question. Stick with that
7 question.

8 BY MR. AUSTIN:

9 Q. Did you ever hear Charlie or Gray taking
10 responsibility for this check as well?

11 A. For the \$680,000?

12 Q. Yes.

13 A. No, I did not.

14 Q. Never did? Were you present at the December 16th
15 meeting of the Board?

16 A. Would you mind, please, sharing with me the minutes
17 of that Board?

18 Q. I'm just going off memory. Do you remember if you
19 were there?

20 MS. LIMEHOUSE: He's asked multiple times to see
21 minutes to refresh his recollection.

22 BY MR. AUSTIN:

23 Q. You don't remember --

24 THE COURT: No. If he doesn't remember, then you
25 can show him the minutes. But without the minutes -- of

1 course, Ms. Limehouse, you can show it to them on direct if
2 you'd like. Go ahead.

3 BY MR. AUSTIN:

4 Q. Let's go to Section 4.02. All right. Chairman of
5 the Board here, the highlighted part, does it say that he may
6 bond -- or may execute on the corporation's behalf any
7 contracts, agreements, notes, and the rest of those
8 documents?

9 A. Yes. Section 4.02, Chairman of the Board, this
10 refers to, as it indicates, other documents, instruments. We
11 are talking about the routine day-to-day banking, let's
12 repossess someone's car or their house, and let's take back
13 their washer and dryer. We are talking about potential
14 multi-million lawsuits in which the Board has ultimate
15 control.

16 Q. But you are not aware of any provision in the bylaws
17 that says that there's a different way to handle those kinds
18 of situations?

19 A. Well, I'm reading the Section 4.02 that you've
20 highlighted.

21 Q. But you are not aware of any other section that says
22 there's a difference?

23 A. Again, I'm sorry, sir, I am not the expert.

24 Q. All right. Let's move on to Section 4.03. And,
25 again, does this give the CEO unilateral authority to execute

1 on the corporation's behalf contracts, agreements, or notes?
2 And, of course, it's all subject to the Board's ultimate
3 approval. I'm sorry. I meant to say "authority" there.

4 THE COURT: Is that a question, Mr. Austin?

5 BY MR. AUSTIN:

6 Q. Does this section give the CEO authority to settle
7 or to enter into contracts and agreements on behalf of PSB?

8 A. Yes, it does.

9 Q. And so despite your disagreement about unusual
10 circumstances, based on this alone, he has the authority to
11 do this unilaterally?

12 A. Has authority --

13 Q. \$680,000 --

14 A. -- to approve a \$680,000 check?

15 Q. Yes, sir.

16 A. Or transfer that his son, who is the CEO --

17 Q. We are talking about the CEO now.

18 A. So the CEO, you are asking me do these 4.03 approve
19 for him to do that? I would say no, considering what we
20 found out the \$680,000 was about. As any good businessman
21 would know, you have to know what the issues are before you
22 can settle it. He had no authority to do this when it was
23 potentially, as I indicated, our attorneys said that we don't
24 handle criminal matters, we need more attorneys.

25 Q. Okay. Let's move on to the \$750,000 loan. When did

1 that loan first come to your attention?

2 A. Nothing is on my screen, sir.

3 Q. The \$750,000 loan made to Alex Murdaugh that you
4 testified about earlier on direct exam --

5 MS. LIMEHOUSE: Your Honor, I didn't ask him any
6 questions about the \$750,000 --

7 THE COURT: Sustained.

8 MR. AUSTIN: Apologies.

9 BY MR. AUSTIN:

10 Q. Are you familiar with a \$750,000 loan that was made
11 to Alex Murdaugh by Russell and Charlie and Gray?

12 A. I am not.

13 Q. Okay.

14 A. I am familiar with a payment that was made in part
15 that made up a \$750,000 payment.

16 Q. Okay. And was it your understanding that Charlie
17 and Gray and Russell approved that transaction?

18 A. That is not my understanding.

19 Q. What is your understanding?

20 A. From the beginning?

21 Q. Yes, sir.

22 A. May I please see the minutes that would correlate
23 the corresponding time?

24 MS. LIMEHOUSE: Your Honor, objection. This is
25 outside the scope of his direct.

1 THE COURT: Well, I think the question is -- the
2 witness keeps saying he doesn't remember. And that should be
3 sufficient unless you are going to show him something to
4 refresh his recollection. So I'm going to sustain it on that
5 basis.

6 MR. AUSTIN: Okay.

7 BY MR. AUSTIN:

8 Q. Did you ever take any actions to reprimand -- until
9 he was fired in January, did you take any actions as a Board
10 member in writing to voice your dissent to the \$750,000 loan?

11 A. Would you mind restating the question again?

12 Q. Did you ever, in writing, oppose the \$750,000 loan?

13 A. First of all, again, I'd need the minutes. But I
14 don't recall there being -- how should I say it? One more
15 time, please, sir. Would you mind?

16 Q. It's real simple. Did you ever take any actions to
17 express your dissent in writing to the Board about the
18 \$750,000 loan?

19 A. Nothing in writing.

20 Q. Okay. And do you recall speaking with Charlie --
21 Charlie speaking about the \$750,000 loan during August Board
22 meeting?

23 A. Again, if you could put the minutes up, I would
24 certainly appreciate that.

25 Q. You don't recall him doing it? You just don't

1 recall in general?

2 A. No. I'm sorry. I may.

3 MS. LIMEHOUSE: Your Honor, he's mischaracterizing
4 his testimony.

5 THE COURT: Ms. Limehouse, if the witness doesn't
6 remember it, you can refresh his recollection.

7 A. Well, could you please rephrase the question?

8 THE COURT: Rephrase the question.

9 BY MR. AUSTIN:

10 Q. Do you recall Charlie Laffitte at any point saying
11 that he was in favor and voted for the \$750,000 loan?

12 A. We are in executive session?

13 Q. In any forum.

14 MS. LIMEHOUSE: Objection, Your Honor. This is
15 hearsay.

16 THE COURT: It's not offered -- I think he's -- what
17 point are you attempting to make?

18 MR. AUSTIN: I want to know if he is remembering
19 Charlie Laffitte taking responsibility for the loan.

20 MS. LIMEHOUSE: It's for the truth of the matter
21 asserted --

22 MR. AUSTIN: I'm asking if he remembers him taking
23 it.

24 THE COURT: Ask the question.

25 BY MR. AUSTIN:

1 Q. Do you recall Charlie Laffitte taking
2 responsibility, along with Russell and Gray, for the \$750,000
3 loan?

4 A. I do not.

5 Q. You don't? Okay. Perfect. And so it's your
6 position that the Board never approved the \$750,000 loan?

7 A. I'm sorry. We are jumping back and forth. It's
8 \$750,000 loan?

9 Q. Yes.

10 A. The Board questioned. I can go back through and
11 explain to you in my opinion. What month are we talking
12 about exactly here?

13 Q. I just want to know if the Board ever approved the
14 \$750,000 loan to --

15 A. First of all, I'm sorry, I think I better explain
16 now. The Board doesn't -- the loan had already been made.
17 The Board was notified of the \$750,000 combined payment. But
18 as a Board member each month, the money is out the door. I
19 don't make the decision to bring the money back in. We might
20 say, don't do that again, or that was a bad loan. We might
21 take a loss on it, but, no, I do not.

22 Q. Making bad loans is something that happens routinely
23 with banks, right?

24 A. Absolutely.

25 Q. And based on your testimony about how successful the

1 bank is, sounds like they generally don't make bad loans?

2 A. That's not the case, unfortunately.

3 Q. And so in this situation, you might disagree with
4 the loan, or I guess you are saying you did disagree with the
5 loan; is that right? You disagreed with the \$750,000 loan?

6 A. Did I disagree with the \$750,000 loan? If I would
7 have known what was packaged in the \$750,000 single payment
8 so-called loan, I would have actually objected.

9 Q. Okay. And what's your understanding of how that
10 loan was initiated?

11 A. The loan was initiated -- it's my understanding that
12 Mr. Murdaugh came to the bank stressed and was in financial
13 need of money back in July.

14 Q. In July?

15 A. Before our actual Board meeting in July.

16 Q. And can you explain more why that would stick out?
17 Why was July such an important time for Alex Murdaugh?

18 A. July was a difficult time because of the murder of
19 his wife and son.

20 Q. So your testimony is that because the murders had
21 just happened --

22 A. I did not know this in July.

23 Q. Right. I understand. But when you are talking
24 about this later on and it does come to your attention, you
25 thought there were red flags because of the murders?

1 A. No. There was no red flag to me in July other than
2 we had gotten information from another Board member that
3 potentially he had lost his job or was not working, for
4 whatever reason. That was the general concern, at least from
5 some of the Board members, but it wasn't taken up as a big
6 concern from the Hampton branch.

7 Q. And do you know whether or not an appraisal had
8 already been ordered for the Edisto Beach house?

9 A. Again, I am not involved with the day-to-day
10 activities, but --

11 Q. Okay. Did you ask any questions of Charles
12 Laffitte?

13 A. I had not asked any questions of Charles Laffitte.
14 Now, you are talking about Charles --

15 Q. Yes, sir, Charlie's son.

16 A. Charlie's son.

17 Q. And what does he do at the bank?

18 A. Charles is a great asset. He's the president or
19 vice president in some capacity. He does some of the real
20 estate appraisal work. He also facilitates with outside
21 appraisers. And he's the bank's safety officer currently.

22 Q. And you don't know if he was involved in a loan
23 prior to July?

24 A. I do not.

25 Q. Or prior to June?

1 A. I do not.

2 Q. And would that change your opinion about the
3 propriety of a loan, with that loan in particular?

4 A. The \$750,000 loan, as I indicated, from what I was
5 told and after the information was obtained and researched,
6 if you will, was that it was bank shared, if you will, on a
7 stock of a hunting club and collateral of a beach house that
8 Mr. Murdaugh was planning on renovating.

9 Q. Okay. And what's the problem with that?

10 A. At the time? It's my understanding through research
11 and further investigation that that stock of the hunting club
12 had been overcollateralized numerous times on previous loans,
13 and the beach house was not even in Ms. Murdaugh's name to do
14 the renovation on.

15 Q. Not in Ms. Murdaugh or Mr. Murdaugh's?

16 A. Mr. Murdaugh's name.

17 Q. So it was in Maggie's name, Maggie Murdaugh?

18 A. I'm sorry?

19 Q. The beach house was in Maggie Murdaugh's name?

20 A. That's what I was given information, that there was
21 an attorney in Hampton who was trying to coordinate this
22 settlement.

23 Q. Okay. And do you know who Maggie's beneficiary was?

24 A. I do not.

25 Q. Okay. Would --

1 THE COURT: Don't testify.

2 BY MR. AUSTIN:

3 Q. Okay. All right. So do you know if that beach
4 house has been sold?

5 A. I had seen something in the newspaper that perhaps
6 it had been sold.

7 Q. Do you have any idea of price range?

8 A. I do not.

9 Q. What about Moselle, the hunting property?

10 A. The hunting property? I heard that there was a
11 potential contract on that.

12 Q. Okay. And do you know what the amount is on that?

13 A. I do not.

14 Q. And what about Red Beard and O United?

15 A. What about what, sir?

16 Q. Do you know whether or not there are any contracts
17 to purchase those properties?

18 A. It's my understanding that that money has already
19 been collected for those properties through a reserve
20 receivership.

21 Q. All right. And Alex Murdaugh's father passed away
22 the week after the murders; is that right?

23 MS. LIMEHOUSE: Objection. He's testifying.

24 MR. AUSTIN: I just asked if he passed away.

25 THE COURT: That's testifying. Sustained.

1 MR. AUSTIN: No further questions, Your Honor.

2 THE COURT: Anything on redirect?

3 MS. LIMEHOUSE: I will be brief, Your Honor.

4 REDIRECT EXAMINATION

5 BY MS. LIMEHOUSE:

6 Q. Mr. Laffitte, you testified on cross-examination
7 about the \$750,000, what you understood to be a loan for
8 purposes of beach house renovations; is that right?

9 A. That is correct.

10 Q. And you then testified that you learned about two
11 separate payments that made up the \$750,000?

12 A. Yes, ma'am.

13 Q. At the time you were told about this loan, did you
14 know about a \$350,000 wire transfer to Chris Wilson?

15 A. Absolutely not.

16 Q. Did you know about a \$400,000 payment to cover more
17 than \$367,000 in overdraft?

18 A. I did not.

19 Q. Let's go to Government's Exhibit 65, please. I want
20 to now talk about some of your testimony related to the 680.
21 You testified that what was going on in the bank in the fall
22 of 2021 was completely outside of the bounds of the normal
23 course as these bylaws applied to; is that an accurate
24 summary?

25 A. That is correct.

1 Q. I want to review a couple of these portions with
2 you. First Section 4.02, please, this is one of the sections
3 that Mr. Austin highlighted for you. The first sentence
4 states: The Board of Directors shall elect from the
5 directors a Chairman of the Board to serve at the pleasure of
6 the Board of Directors.

7 Is that how you understand the Chairman of the
8 Board's authority with respect to the Board of Directors?

9 A. Yeah, ma'am, that's what I was trying to say.

10 MS. LIMEHOUSE: And, Ms. Rozsa, if you will
11 highlight the portion 4.03, please.

12 BY MS. LIMEHOUSE:

13 Q. 4.03, similarly states: The CEO shall be the chief
14 executive officer of the corporation and subject to the
15 authority of the Board of Directors. Is that what you were
16 referring to when you talk about the CEO's authority with
17 respect to the Board of Directors?

18 A. Yes, ma'am.

19 Q. And if you could go to Section 3.01, page 6, I
20 believe. Section 3.01 states: The Board of Directors shall
21 have ultimate authority over the conduct and management of
22 the business and affairs of the corporation. Is that your
23 understanding of the Board's role with the bank?

24 A. Yes, ma'am.

25 Q. If you will just go to section -- I mean, Exhibit 12

1 C, please. This is an e-mail dated October 29th, 2021, from
2 Russell Laffitte relating to the \$680,000 payment. Now, we
3 didn't address each of these e-mails during your direct
4 examination. In this e-mail, Mr. Laffitte states: Attorneys
5 were informed, but not consulted. They were consulted by
6 phone, so nothing to share. This is not a lawsuit issue. It
7 is a banking issue of us converting checks.

8 Is that what Russell Laffitte told the Board with
9 respect to the \$680,000 when they were questioned why the
10 attorneys were not consulted?

11 A. Would you please -- I'm sorry.

12 Q. It was a lengthy question. My fault. Did Russell
13 Laffitte tell the Board that the \$680,000 payment was not a
14 lawsuit issue?

15 A. Correct. In this "this is not a lawsuit issue"
16 e-mail by Russell Laffitte.

17 Q. You testified on cross-examination about two Board
18 meetings that took place on October 31st and November 3rd.
19 And Mr. Austin asked you questions about the discussions
20 related to the \$680,000 payment. During either of those two
21 meetings, did Mr. Laffitte ever tell the Board that that
22 \$680,000 payment included \$35,000 that he personally received
23 from Arthur Badger?

24 A. No, ma'am, he did not.

25 Q. Did Mr. Laffitte ever tell the Board that that

1 \$680,000 accounted for hundreds of thousands of dollars in
2 loans that he extended from Hannah Plyler's conservatorship
3 account?

4 A. He did not.

5 Q. Did Mr. Laffitte ever tell the Board that nearly
6 \$400,000 of that money went to another law partner at the law
7 firm?

8 A. He did not.

9 Q. And did Mr. Laffitte ever tell the Board during
10 either of those two meetings that more than \$150,000 of that
11 money went to the Bank of America and was never negotiated
12 through the Palmetto State Bank?

13 A. He did not.

14 MS. LIMEHOUSE: No further questions, Your Honor.

15 THE COURT: You may step down.

16 MS. LIMEHOUSE: May he be excused?

17 MR. AUSTIN: Yes, sir.

18 THE COURT: Thank you, Doctor.

19 Call your next witness.

20 MR. HOLLIDAY: Your Honor, the Government calls
21 Becky Laffitte.

22 THE COURT DEPUTY: Please state your full name for
23 the record.

24 THE WITNESS: Becky Laffitte.

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BECKY LAFFITTE,
having been duly sworn, testifies as follows:

DIRECT EXAMINATION

BY MR. HOLLIDAY:

Q. All right. Ms. Laffitte, good afternoon.

A. Good afternoon.

Q. You are free to take your mask off if you would
like.

A. Thank you.

Q. You are a lawyer, right?

A. I am.

Q. And how long have you been practicing?

A. 39 years.

Q. Ever had the experience of being on the stand?

A. I have not.

Q. Where is it that you are located?

A. I'm in Columbia.

Q. And, generally speaking, what would you say your
practice area is?

A. I do all defense work. I do trucking and auto,
small products cases, premises liability, and some contract
disputes.

Q. So this isn't something I planned to ask you, but
there's civil defense and criminal defense, right? So your

1 practice area is civil defense?

2 A. I do all civil defense, that's right.

3 Q. And the jury heard a number of people talk about car
4 accidents and the Plylers and all of these things. That
5 would be sort of your realm when people are sued? There's
6 plaintiffs' work. There's defense work. You do the defense
7 work?

8 A. I do the defense work, that's correct.

9 Q. Do you have a role with Palmetto State Bank?

10 A. I do.

11 Q. And what is that role?

12 A. I currently serve as a member of the Board of
13 Directors. My first Board meeting was July 20th, 2021.

14 Q. And how did it come to be that you became a part of
15 the Board?

16 A. I was nominated by a cousin and that went before the
17 shareholders, and the shareholders voted, and so here I am.

18 Q. What was the cousin's name that nominated you to be
19 on the Board?

20 A. Monty Laffitte in Greenville.

21 Q. Are other members of your immediate family connected
22 with the bank?

23 A. Yes, they are.

24 Q. If you would, I know we've discussed your father,
25 your mother, your brother and all, if you would just tell the

1 jury a little bit about that.

2 A. Sure. I grew up in Allendale. My dad was a family
3 physician. I think you would call him the last of the
4 country doctors. He served on the Board until he passed
5 away, at which time my brother, Lucius, assumed his role or
6 he -- not assumed his role, but there was an open seat. My
7 mom had significant shares left at the generosity of my
8 father. He left them. She's 96 years old. She's sharp as a
9 tack, still plays the piano beautifully, and she controls the
10 shots in our family. But he left those shares so that we
11 could care for her. And my oldest sister has physical
12 challenges that increase every year, make it more difficult
13 for her. And so I have fiduciary responsibility not only to
14 my family's shares but to every shareholder.

15 I have two sisters. I failed to mention them. One
16 is married and lives in Allendale next-door to my mom. And
17 she is the guardian angel for my mom and my sister. And my
18 oldest sister lives with my mom. And that's basically it.
19 Proud to be from Allendale but now live in Columbia.

20 Q. You mentioned that your mother had a number of
21 shares, but is she the largest shareholder in the bank?

22 A. I think she may be the single largest shareholder,
23 but don't hold me to that.

24 Q. Okay. What's your relationship to the defendant in
25 this case, Russell Laffitte?

1 A. Russell and I are second cousins. His dad and ours
2 were first cousins.

3 Q. You are a lawyer. Like me, you've been practicing
4 in this state a long time. Before June of 2021, had you
5 heard of Alex Murdaugh?

6 A. I had.

7 Q. And how is it that you were aware of who he was?

8 A. Well, being on the defense side, I've had a lot of
9 cases through the years with attorneys at the Murdaugh firm.
10 And I've had a case with Alex along the way. And in fact, we
11 had a matter pending at the time where he had subpoenaed some
12 records from one of my clients. And we were scheduled to
13 have a deposition the Friday before the tragic accident
14 involving his wife and son. So that never proceeded.

15 Q. Did you, because of your familiarity with him and
16 this pending case, or whatever, did you follow generally what
17 was going on with him from June 2021 forward?

18 A. I didn't follow a lot. I am not on Facebook. I
19 don't do a lot of social media. I would hear things. So,
20 yes, I mean, I was aware of what was going on. But did I do
21 a deep dive into it every day, no. I had enough on my plate
22 with my work and other obligations.

23 Q. So you indicated a minute ago that the first day,
24 your first day with the bank, was July the 20th of 2021?

25 A. That's correct.

1 Q. Did that correspond with a Board meeting?

2 A. That was my first Board meeting.

3 Q. Okay. At that Board meeting, did you become aware
4 that Alex was a customer of the bank?

5 A. I can't remember if we learned it that day, but I
6 did know he was a customer of Palmetto State Bank.

7 Q. Okay. I want to show you Government's Exhibit 2.
8 We are not going to belabor it. It's going to come up on the
9 screen. Jury has seen it a number of times. We are not
10 going to read it again, but the frontline is Norris Laffitte.
11 You are familiar with Norris?

12 A. Yes.

13 Q. And the date is when?

14 A. Date is August the 9th, 2021.

15 Q. Okay. And, generally speaking, when you received
16 this e-mail, was it a significant e-mail to you?

17 A. Yes, it was.

18 Q. Why is that?

19 A. Because I think at that particular point in time,
20 Norris had raised a very good question. We were trying to
21 determine what potential exposure did the bank have in terms
22 of liabilities with regard to loans or accounts that Mr.
23 Murdaugh had.

24 Q. Okay. I'm going to try to do this without pulling
25 up a whole bunch of documents. I think we've done a lot of

1 that today. Just generally speaking, what was your awareness
2 after Norris's e-mail of Alex Murdaugh's involvement
3 financially with the bank?

4 A. It was not until we received the Board materials for
5 our August meeting that I received a breakdown of some
6 information that had been provided. That, again, I had been
7 on the Board 19 days when this e-mail came on August the 9th.
8 So I was still in a learning curve at that point in time.

9 Q. And was there a general discussion at the Board
10 meeting about the exposure to the bank regarding some loans
11 that Alex Murdaugh had outstanding at the bank?

12 A. Yes. Those were documented for us in the materials
13 that were provided.

14 Q. We will leave it at that. Okay. In September, did
15 you get an e-mail regarding Alex Murdaugh's employment
16 status?

17 A. Yes.

18 Q. We are going to show you Exhibit 11. So, Becky,
19 again, the jury has seen this plenty of times. We've seen
20 it. We've met before; is that right?

21 A. Yes, we have.

22 Q. Basically, it's a statement from WIS news that was
23 put out by Mr. Murdaugh's attorney regarding his resignation
24 from the firm; is that right?

25 A. That's correct.

1 Q. When you saw this e-mail, did you have some concerns
2 in light of what you had learned back in August regarding the
3 loans outstanding by Mr. Murdaugh?

4 A. I did.

5 Q. And who was the -- well, we won't play the guessing
6 game. If we could, did another Board member respond?

7 A. Well, I sent an e-mail in September.

8 Q. Yeah. What we are going to do is -- I think we need
9 to go one more page up.

10 A. And would you mind increasing the size of that font,
11 please?

12 Q. We are working on it. All right. So this is the
13 e-mail you are referring to. Do you reply to the e-mail
14 informing you of Alex Murdaugh's employment situation?

15 A. Was this my response to the e-mail?

16 Q. Yes.

17 A. Yes, it was.

18 Q. Okay. Generally speaking -- well, scratch that
19 question. Picking up with the very last line on this page,
20 if you would read that, please.

21 A. "As a member of a law firm, I am intrigued by his
22 decision to resign based solely on the need for counseling."

23 Q. Okay. Just while we flip to the next page, you,
24 again, had been practicing for almost 40 years?

25 A. Almost.

1 Q. And you've been a member of a firm for that entire
2 time?

3 A. I've been a member of several firms.

4 Q. And people are people. Lawyers are people as well.
5 You've had, probably not to this extent, but you've had
6 lawyers in crisis before your firms; is that fair to say?

7 A. Well, I think our law partners become an extension
8 of our families. And we oftentimes are with them more than
9 we are with ourselves. And I just found it interesting that
10 partners would not surround and help another partner who may
11 be in need. And I just felt that there had to be something
12 more to this than just an illness, because that's when you
13 stick with your partners. When they are down and out is when
14 you really need to stick with each other.

15 Q. I'm going to -- just because it's a little -- we
16 jumped ahead to the page, but it picks up: Admissions and
17 mistakes had been made for which he apologizes. But as of
18 now, these alleged mistakes are unknown.

19 You can pick it up from there if you would like.

20 A. Would you like for me to begin with "when?"

21 Q. Yes.

22 A. "When a lawyer is down with an illness, the first
23 thing you want to do is support him/her and their families
24 during a difficult time unless there are other culpable
25 reasons which could legally implicate the law firm in an

1 adverse way. Therefore, I have concerns there may be issues
2 other than physical and mental ones which necessitated his
3 resignation. Depending on the issues, his law license could
4 be in jeopardy as well. This news brings the realization
5 that he will have no income stream for some time into the
6 future, thus, as we all recognize, leaving PSB and its
7 shareholders vulnerable if he is unable to meet his financial
8 obligations on outstanding loans and payments due in the
9 future."

10 Q. So I want to break your e-mail down into a few of
11 its parts. Okay? So the first part would be the law firm.
12 The second part would be the law license. Okay? And then
13 the third thing would be your concern as a Board member,
14 which is here. All right. So a lawyer, as you've said,
15 you've been a member of multiple law firms, right?

16 A. Yes, I have, yes, sir.

17 Q. Lawyers tend to move around?

18 A. They do.

19 Q. So the relationship with the Murdaugh law firm or
20 the Peters Murdaugh law firm, could have been severed, but in
21 theory, had it been a temporary issue or whatever, he could
22 have gone somewhere else and practiced law; is that right?

23 A. Well, I think anyone is free to go to wherever he or
24 she wishes to go.

25 Q. Right. So there's a more fundamental issue, though,

1 that you talk about. Depending on the issues, his law
2 license could be in jeopardy. That takes away a little bit
3 of your mobility, doesn't it?

4 A. It takes away a lot if you are a lawyer, in terms of
5 being a lawyer in the legal community, yes, sir.

6 Q. Lawyer with (sic) a law license can't make money
7 being a lawyer?

8 A. You cannot be a lawyer without your law license,
9 that's correct.

10 Q. And I would rather not pull it back up again, but
11 just generally speaking, do you remember the loan exposure
12 that Palmetto State Bank had to Alex Murdaugh?

13 A. At that particular point in time?

14 Q. Yes, based on the Board meeting --

15 A. Yes. The first report we received in August was
16 around 2-3. It corrected a mathematical error by Norris.
17 And came to be about 3-5.

18 Q. Norris had caught the error?

19 A. Norris had caught the error. And it was changed in
20 the Board packet and Board materials.

21 Q. So you've expressed concern regarding his
22 relationship with his law firm, his ultimate ability to
23 practice law. And then you talk about, obviously, the bank's
24 interest, Palmetto State Bank and its shareholders and the
25 loans outstanding if he's just not working at all; is that

1 right?

2 A. That's right. Those were concerns.

3 Q. Okay. Jumping down then to the fourth paragraph,
4 please. And that's this one down here. Okay?

5 A. Yes, sir.

6 Q. And these are your words, so I would like to hear
7 you read them, please.

8 A. Certainly. "I hope this e-mail won't be viewed as
9 insensitive; however, given that others may be jockeying for
10 position where his assets are concerned, I wanted to share
11 some of my thoughts from a legal perspective and would
12 welcome Jim Gibson's thoughts as well since he is a far more
13 seasoned litigator than I."

14 Q. Can we hit the pause button there for a second. I
15 don't know that I went there with Norris when he was on the
16 stand. "Jockeying for position where his assets are
17 concerned," what is that talking about?

18 A. Creditors, other credits may be going after his
19 assets if he had other indebtedness.

20 Q. So in any secured transaction, there's priorities of
21 creditors; is that right?

22 A. I don't do that type work, but, yes, sir, I do
23 understand there are priorities, that's correct.

24 Q. I haven't talked about it since law school. But
25 there are priorities based on when you may express your

1 interest in certain securities?

2 A. That's right.

3 Q. Were you concerned about the bank's place in line?

4 A. I was concerned at that time.

5 Q. Jim Gibson was whom?

6 A. Jim Gibson is an attorney from Beaufort. He's
7 retired now, but he's been on the Board a number of years.
8 And I have great respect for Jim. And he's -- that's why I
9 was referencing Jim there.

10 Q. Let's pick it back up with "I look forward."

11 A. "I look forward to hearing more about your plan to
12 address the outstanding indebtedness in light of today's
13 development. I'm also hopeful that we can have a discussion
14 about immediately retaining counsel to assist in these
15 efforts as today's development has significantly changed the
16 landscape where his indebtedness and collateral are
17 concerned. (It appears the 2021 Mercedes is now impounded
18 due to the investigation -- or during the investigation.)"

19 Q. So we are going to pick up with just the
20 parenthetical first, and then I want to jump back. What was
21 your concern regarding the Mercedes?

22 A. Well, it was about a \$90,000 loan on the Mercedes.
23 It was an unsecured loan. And now, what I had read, it was
24 now impounded either through SLED or through law enforcement.
25 So that's \$90,000 out the door where the bank is concerned.

1 Q. So in the back of your mind, or you even at the
2 front of your mind at this point, are you concerned about all
3 the various ways that the loans of Alex Murdaugh are secured
4 or unsecured?

5 A. Certainly.

6 Q. And tax interest?

7 A. Certainly that came to mind. Again, I've been on
8 the Board less than two months. So I have a lot coming at
9 me, but also know my responsibilities. And I was trying to
10 exercise and use my best business judgment to make the
11 decisions, as difficult as they were, that would be in the
12 best interest of Palmetto State Bank, the institution, the
13 shareholders, employees.

14 Q. Now, going back to the previous sentence. "I am
15 also hopeful we can have a discussion about immediately
16 retaining counsel to assist in these efforts as today's
17 development has significantly changed the landscape whereas
18 indebtedness and collateral are concerned."

19 Why did you think -- you are a lawyer. You are on
20 the Board, right?

21 A. That's correct.

22 Q. And Jim's a lawyer and he's on the Board?

23 A. That's correct.

24 Q. Why are you at least floating in this e-mail that
25 the bank would need to retain counsel?

1 A. I think now we are seeing that the bank may become a
2 target of some interest to some, depending on what's
3 uncovered. And I've been doing this long enough to know that
4 I think we would be ill-advised not to have legal counsel.
5 And so, yes, I was very outspoken about that. And we did
6 retain counsel. And we have relied on our counsel. And
7 we've been very fortunate that we've had that advice.

8 Q. Going back to the September, early September time,
9 this is right after Labor Day?

10 A. Yes, sir.

11 Q. Going back to that time frame, who is the lawyer
12 that the bank hired?

13 A. The litigation counsel, Trenholm Walker and Tom
14 Gressette. We had several lawyers.

15 Q. Right. And not asking for any content or anything
16 for the work that they did, but generally what was their
17 mandate from the Board? What did you want them to do?

18 A. At that particular point in time?

19 Q. Yes.

20 A. To give the bank advice, to give the Board of
21 Directors advice on what may be coming down the pike and what
22 we should be anticipating so that we could be prepared.

23 Q. I'm going to show you Exhibit 12. We are jumping
24 forward in time now. We've been dealing with early
25 September. Now we are going to move to late October. Okay?

1 The "from" is Russell Laffitte, Friday, October the 29th. Do
2 you see your name on this e-mail?

3 A. Yes, sir, I am on the e-mail.

4 Q. "Everyone, I just want to give everyone a heads-up
5 on a charge that you will hear about in detail during our
6 next Board meeting." And then it goes on about a \$680,000
7 loss. We are moving -- well, I am not going to hurry along
8 that much.

9 "We took a \$680,000 loss to fix an issue between us
10 and the PMPED law firm. We converted \$1,172,945.76 in checks
11 made payable to PSB to numerous other places as part of
12 another stolen case settlement." When you read "stolen case
13 settlement," did alarm bells go off for you?

14 A. It did. I did have concerns.

15 Q. And there's another word there as well, "another."
16 So what was the other?

17 A. Of the another case?

18 Q. You've got another stolen case settlement, what was
19 the other stolen case settlement?

20 A. At this point in time, all we know is the subject
21 line loss. So what we are trying to do is determine, because
22 at this point in time, there is another threatened -- it has
23 not been filed, but there's threatened litigation to the
24 bank, of which we were aware and were working with through
25 our attorneys. So we had that out there on the horizon and

1 now also a reference to another. So this is now two,
2 potentially two.

3 Q. And has Trenholm Walker been hired in part to deal
4 with the other matter as well?

5 A. Yes, he was. And he was dealing with it.

6 Q. And the jury has heard this already, but is that the
7 Satterfield --

8 A. It was the Satterfield, that's correct.

9 Q. It says, "I negotiated with the law firm to pay part
10 and they paid the balance to make their client whole." As
11 far as, "I negotiated with the law firm," was that a role
12 that you would have expected Trenholm Walker to play?

13 A. I would have expected our lawyers to be involved in
14 this matter. That's why we had them on retainer. Not only
15 lawyers, I would have expected the Board to have been
16 involved and notified of this before the money left the bank.

17 Q. Well, you said you would have expected the Board to
18 have been consulted beforehand. In fact, does the language
19 of the e-mail suggest that it's a done deal?

20 A. Oh, it's a done deal. By the time we knew about it,
21 the money is out the door. The Board that no knowledge about
22 it. The Board knew nothing about it.

23 Q. "We are moving \$680,000 out of loan loss reserves to
24 offset this loss since we have ample reserves at this time."
25 I wanted to ask you about one other thing before we move. I

1 am not asking you for a legal division, but as a lawyer, when
2 you read the word "converted," does that cause you concern?

3 A. Well, it did. I think the entire e-mail caused
4 concern. Because, again, we knew nothing about it until we
5 received this e-mail at 3:22 on a Friday afternoon. And at
6 that point in time, \$680,000 we had been told is out the
7 door. That was troubling.

8 Q. Okay. Let's move on to the next e-mail in the
9 chain, please. I think part of this is cut off, but -- well,
10 there's enough down at the bottom. You see at the very
11 bottom left-hand corner of your screen?

12 A. I do.

13 Q. Who is Liz?

14 A. Liz Malinowski.

15 Q. So the other -- well, Liz says, "I assume one of our
16 attorneys was consulted before the decision was made. Will
17 you please share the communication with the Board. I would
18 like to see the Board meet prior to the regularly scheduled
19 November meeting for a full update and discussion."

20 Then she goes into logistics. Was there a meeting
21 that took place prior to the regularly scheduled November
22 meeting?

23 A. Yes, sir, a special-called meeting was called for
24 Sunday, October 31st, at seven o'clock.

25 Q. Okay. We are going to get to that after we finish

1 with this e-mail chain. Okay?

2 MR. HOLLIDAY: Next one in line, please, Tracy.

3 BY MR. HOLLIDAY:

4 Q. Russell responds to Liz, "Attorneys were informed
5 but not consulted. They were consulted by phone, so nothing
6 to share. This is not a lawsuit issue. It is a banking
7 issue of us converting checks."

8 Is there a little bit of a discrepancy between this
9 is not a lawsuit issue and the word converting in the very
10 next line?

11 A. We had concerns at that particular point in time. I
12 can't say what was in his mind, but it was concerning to me
13 that with lawyers on retainer and with a Board of Directors
14 there to hear and address these matters but were never given
15 the opportunity, to insinuate that we, the Board, converted
16 it is very disturbing to me and was to everyone else.

17 Q. And then, "informed but not consulted," as an
18 attorney, you want your clients to inform you or consult with
19 you?

20 A. I want -- if we have attorneys, I would have
21 expected the attorneys to be involved in every decision that
22 we made based on any advice they had given us. And it was
23 disconcerting to us that with what we had, Satterfield on the
24 horizon, these matters with attorneys a phone call away, no
25 phone call was made to the attorneys.

1 Q. Well, Russell represents they were consulted by
2 phone, so nothing to share. Did you ever -- were you ever
3 informed by him of any of the details of the conversation?

4 A. I don't recall the details in the conversation.
5 There have been so many things and so many documents, so many
6 things said, if it was, I'm only here to tell you the truth.
7 So if I am forgetting something, it's not intentional. But
8 this is what I was going on at that point in time, which is
9 somewhat of a very cryptic e-mail with very little
10 information in it.

11 Q. And then Norris weighs in with a number of
12 questions.

13 A. He does.

14 Q. Were these questions that you also wanted to know
15 the answer to?

16 A. I think we all did, yes.

17 Q. And then finally, if we could jump to Exhibit 13,
18 please. And so this is sort of the last in that chain.
19 Russell responds, "We will discuss in the Board meeting. I
20 was responsible. 12 checks were made payable to Palmetto
21 State Bank converted to others. Hopefully, no other cases.
22 This took place in 2013."

23 So that sets up your October the 31st meeting; is
24 that right?

25 A. That's correct.

1 Q. So as you mentioned, that's Halloween night, Sunday
2 night?

3 A. Yes, it was.

4 Q. What two decisions were made that evening?

5 A. What decisions were made?

6 Q. Yes.

7 A. I remember several were made.

8 Q. Okay. If you could not limit it to two, please.

9 A. A Litigation Committee was formed that night, of
10 which I was asked to serve as a member. The 680 check was a
11 top concern. And it triggered our belief that we did need to
12 have an internal audit conducted and performed within the
13 bank. And the -- we had the discussion about the pending
14 Satterfield matter that had been in mediation. Those are the
15 things that I remember on August 31st.

16 Q. October 31st?

17 A. I mean, October 31st, I'm sorry, Halloween night,
18 seven o'clock.

19 Q. And then there is a November 3rd, 2021, Board
20 meeting, did you attend that meeting?

21 A. I did.

22 Q. For context, I want to show you an e-mail exchange,
23 Exhibit 80, next page, previous e-mail. Down the bottom,
24 thanks.

25 The jury will get both and they are familiar with

1 this already. I did want to point out, though, in the bottom
2 e-mail from November 2nd at 4:28, the name that you've
3 already mentioned, Trenholm Walker, is there; is that
4 correct?

5 A. Yes, sir.

6 Q. That's your outside counsel?

7 A. That's correct.

8 Q. And then what's the significance of the names in the
9 cc line? Obviously, your name is in there.

10 A. Yes. This is the members of the Litigation
11 Committee.

12 Q. Okay. And then the subject lines specifically
13 references Badger; is that right?

14 A. That's right. So it goes from loss on the 322 on
15 October 29th to Badger by November 2nd at 4:28.

16 Q. And it says, "Trenholm, please let me know when we
17 decide to pay the check to the law firm. I would like to
18 call in to do this sooner rather than later. Thanks." Do
19 you see that?

20 A. I do.

21 Q. And then Trenholm responds and says, "Russell, I
22 will handle it. I will get in touch with Ronnie again to
23 discuss this. Please refrain from dealing with Ronnie on
24 this. I need to make sure that there's a clear understanding
25 of the terms if the bank is willing to pay the amount. I

1 will call him again later today or first thing in the
2 morning. Trenholm."

3 The message from the lawyer, "I will handle it," was
4 that in line with your expectation of why you hired Trenholm
5 in the first place?

6 A. Yes. I mean, we hired lawyers to act on the bank's
7 best interest.

8 Q. And then, in fact, does Trenholm ask Russell to
9 stand down, "please refrain from dealing with Ronnie on
10 this," would that have been your preference as well?

11 A. It would be.

12 Q. "I need to make sure that there is a clear
13 understanding of the terms if the bank is willing to pay the
14 amount." The amount is gone, right?

15 A. The amount, by the time we get the e-mail, is out
16 the door, that's correct.

17 Q. So after the amount is gone, what's foremost in your
18 mind as far as what you can do now?

19 A. Damage control. We were in damage control, because
20 as directors, we have a fiduciary responsibility. We have to
21 explain how \$680,000 went out the door without the Board of
22 Directors' knowledge, vote or consent. And we were looking
23 to our attorneys to give us advice on how best to position
24 and protect the bank. And that's what we were doing, trying
25 to figure out what do we do to ensure the institutional

1 integrity and the well-being of the shareholders. And that's
2 where -- and, of course, employees. I mean, they were under
3 scrutiny and everything else from public, press, and whatnot.
4 And they were fabulous. They have been wonderful. But these
5 were concerns that we had.

6 Q. Okay. And then there's language here that seems to
7 cause the next e-mail to be sent. "If the bank is willing to
8 pay the amount," so at this point, Trenholm at least is
9 holding out hope that something can be done about the money?

10 A. He's holding out hope, but I think at that point in
11 time, nobody knew what had happened to that money.

12 Q. Yeah. Let's go to the next e-mail. And, again, you
13 are copied on this one. And then the very first line is,
14 "Trenholm, the bank is paying this amount." Is that
15 consistent with your understanding that the money was gone?

16 A. The money was gone.

17 Q. "The verbal contract between Palmetto State Bank and
18 the law firm was done with the approval of the Chairman of
19 the Board and the CEO." Who is the Chairman of the Board?

20 A. The Chairman of the Board, Charlie Laffitte.

21 Q. And the CEO?

22 A. Russell Laffitte.

23 Q. "You are welcome to discuss terms, but it is not an
24 option to not pay." And you were copied on that e-mail and
25 you saw that language as well, right?

1 A. I was.

2 Q. Says, "We agreed to this settlement amount not
3 because I was PR or Alex stole the money, it was done due to
4 the fact that I converted these checks made to Palmetto State
5 Bank. We were actually happy to settle for 680 versus the
6 full amount." Were you happy with Russell, the way Russell
7 had handled the \$680,000?

8 A. No, sir.

9 Q. If Russell had delivered the 680 to the law firm and
10 he indicates that he consulted with the Chairman of the
11 Board -- who was the Chairman of the Board again?

12 A. Charlie, Laffitte.

13 Q. His father?

14 A. Yes.

15 Q. Would you have expected if Charlie Laffitte gave
16 approval to this that Russell would have told him all the
17 details of the \$680,000?

18 A. I would think so, because Charlie is one of the most
19 honorable men that I know.

20 Q. Would you have expected that Russell would have
21 shared that this was Badger settlement money with his father?

22 A. If he knew everything, I'm not sure we would be
23 where we were. Sir, I don't know. I can't guess. I can
24 only tell you what I know here. And the money is out of the
25 door, \$680,000, without knowledge or approval of the Board of

1 Directors.

2 Q. We have two circumstances. Right? We either have
3 Russell has shared with Charlie everything he knows about the
4 \$680,000, and Charlie went ahead anyway, or Russell is
5 representing that his father knew about it and ratified it
6 and his father didn't know; isn't that correct?

7 A. I can't tell you which scenario that it was. From
8 what you've said, it could be either/or. I don't know at
9 that point. I knew at this point for sure the Board knew
10 nothing about it and had nothing to do with that decision.

11 Q. Okay. This \$680,000 has been paid. Had Russell
12 negotiated any kind of release to go along with the payment?

13 A. He had not.

14 Q. Without a release, what was the bank's exposure?

15 A. We were out the money. I mean, you are on the hook
16 for everything. If you get sued for this, the bank, again,
17 is entangled in a lawsuit. And, in fact, we are entangled in
18 a lawsuit.

19 Q. Over the Badger money?

20 A. Well, we are in a lawsuit filed on behalf of Badger.

21 Q. At this November 3rd Board meeting, were you
22 informed where the \$680,000 had originally come from?

23 A. No. We did not know all the specifics of where
24 those 12 checks had originated from until later.

25 Q. We talked about origination. Did you know where the

1 money went? Did you know the individuals who actually -- if
2 the Badger money was cut into 12 checks, according to the
3 e-mail, did you know where those 12 checks had gone?

4 A. Not at that point in time, not on October 29th,
5 November 1, November 2, November 3, no, sir.

6 Q. And -- well, if you didn't know where the checks had
7 gone, there was no indication of why those individuals would
8 have been entitled to receive money from the Badger
9 settlement; is that right?

10 A. We were -- we didn't know what comprised the 680, we
11 did not.

12 Q. And at the November 3rd Board meeting, you know of
13 Satterfield and now you know of Badger, did Russell share
14 with you whether there was anything else out there?

15 A. I don't recall any discussion about anything else
16 out there. I think some Board minutes are in or some -- a
17 transcript that we did not know was being recorded with our
18 lawyers present with us. So I don't recall. If it's not in
19 there, I don't recall it.

20 Q. And were you all told whether or not that \$680,000
21 payment included half of the \$35,000 that Russell would have
22 been paid?

23 A. We found that out. It's the \$35,000 that he had
24 gotten on the conservative fee or PR fee.

25 Q. That wasn't shared with you in November?

1 A. Not at that time.

2 Q. Now, so we started your testimony in September.
3 We've gone to October. Now we are going to go to December.
4 Okay? I show you what's been marked as Government's Exhibit
5 15. Down at the very bottom, "Everyone, we found another two
6 settlements that were stolen. I have spoken with Mark Ball
7 and Jeanne Seckinger about them concerning the research only.
8 We have not agreed to do anything at this time. I have
9 attached. We will need to send this to SLED and the ODC.
10 I'm assuming our attorneys will do this. Mark was talking
11 with a client about one other small check to see if she got
12 the funds. It was cashed. The amount was \$25,000 and
13 change. Thanks, Russell Laffitte."

14 So in December you learn of another Badger
15 situation; is that right?

16 A. Yes, sir.

17 Q. Those other Board members that weigh in, we are not
18 going to go back over that again in this case, or at least
19 with you. But at this point, you are moving into January.
20 Has Russell's position with the bank become untenable?

21 A. We had concerns.

22 Q. At this point you know Badger money had been
23 converted by his own admission in the e-mails; is that
24 correct?

25 A. Yes, at this point. I believe we maybe had the

1 meeting on December 2nd, is when we maybe learned of this.
2 And this e-mail is the 1st. So I don't want to get ahead of
3 myself, but it was in early December when the revelation of
4 what those 12 checks really were comprised of that came to
5 light.

6 Q. Rather than have you guess, let's -- Norris in the
7 e-mail above says, "Without the narrative explaining each of
8 the 45 pages." So there's a 45-page attachment to Russell's
9 e-mail; is that correct?

10 A. It's referencing that. And I've received so many
11 documents, I can't tell you that, 45 or 44, but there were
12 attachments.

13 Q. And so the Pinckney/Thomas checks are 2011 checks.
14 You knew the Badger situation was in 2013. Norris is
15 asking -- now we have a span of at least two years we know
16 this is going on. He's asking if there's anything else
17 either before or after that time frame; is that right?

18 A. Yes, sir.

19 Q. Okay. And then if we can go to the next one,
20 please. And then in response to Norris, he basically breaks
21 it down. "Two checks were presented together. 10,000 went
22 to Maggie Murdaugh. 9,500 was made to a money order for
23 cash. \$920.29 paid principal on a loan. \$3,137.30 interest
24 paid to the same loan. \$100,000 was paid to my father to
25 repay a loan he made to Alex." \$50,001 -- "\$50,135.61 and

1 \$91,220.57 was made to me as conservator for the Plylers.
2 This repaid a loan made to him from the conservatorship."
3 Did you know who the Plylers were at that point?

4 A. No, sir. I think probably at that point, I had read
5 about the Beach -- well, no, that's Beach. I'm sorry. No,
6 the Plylers, I did not.

7 Q. \$329,500 went to pay Randolph for something. Who is
8 Randolph?

9 A. That was Alex's father.

10 Q. "He may have lent him money or he may have bought
11 something from his father. \$40,167.69 was paid to the
12 conservatorship of Malik Williams for money loaned."

13 So now in this e-mail, you are getting new names,
14 aren't you; Plylers now?

15 A. Williams.

16 Q. And Malik Williams as well. So now you have Badger,
17 Pinckney, Thomas, Malik Williams, and the Plylers, all named
18 in this e-mail chain in December; is that right?

19 A. That's correct.

20 Q. And then he talks about the conservatorship and
21 having been closed out in 2012. So as a result of all this
22 back-and-forth and maybe some additional information you
23 received later, did the Board have a meeting to consider
24 whether or not Russell should be CEO anymore?

25 A. We did.

1 Q. And did you hold a vote as to whether or not he
2 should be a CEO anymore?

3 A. We did.

4 Q. And was the vote on separating him from the bank
5 unanimous?

6 A. I don't recall that it was.

7 Q. Okay. Who voted no?

8 A. I am not looking at it. I know there was one
9 abstention. And I don't want to misrepresent without seeing
10 that document.

11 Q. Let's just tweak it slightly. Who did not vote yes
12 to separating from the bank?

13 A. I recall that Gray abstained. And I may be
14 inaccurate there. But, again, without that note, Mr.
15 Holliday, I am not going to take this stand and tell you
16 something that I am not certain about.

17 Q. Sure. Was Gray the only one that you recall, or do
18 you recall anyone else?

19 A. Charles may have. I can't remember.

20 Q. When you say "Charles," are we talking the son or
21 the father?

22 A. The son, Russell's brother. But, again, I am not
23 going to -- without that detail then with certainty, I am not
24 going to venture there. But I do remember there was an
25 abstention, at least one and perhaps two.

1 Q. How did you vote?

2 A. It was a very difficult vote, but I felt that we had
3 to make a change in the leadership of the bank. And I voted
4 that he would become separated from the bank.

5 Q. And why did you think there was a leadership change
6 that was necessary? What had he done?

7 A. You've been in this trial almost eight days now, so
8 I don't know what you've seen and what you have not seen.
9 But we started out with hearing about perhaps one situation.
10 And then we go from Badger -- or Satterfield to Badger to
11 Hakeem Pinckney to Plyler. And the list kept coming and
12 coming. I for the first time find out in August of 2021 of
13 the significant indebtedness that Alex has to Palmetto State
14 Bank. Now, as a new Board member, 19 days in, this was very
15 disturbing to me, as it was to other directors. So we had --
16 I saw some poor decisions had been made. There was some
17 discrepancies. There were some irregularities. And I
18 learned early on when I looked up the responsibility and
19 definition of a fiduciary, I am required to set aside my
20 personal feelings, to set aside my family. And we are a very
21 close family. And we love each other dearly. So to ask me
22 to separate myself and move my family out of that to make a
23 tough decision is probably one of the hardest things I've
24 ever had to do. But I had that responsibility. And I owed
25 it to the bank, its financial reputation. I owed it to the

1 shareholders. I owed it to the employees. And I owed it to
2 our customers who have stuck by us. And I have no regrets,
3 as hard as it was, that I made the decision that had to be
4 made. And I stand by it.

5 MR. HOLLIDAY: Okay. Please answer any questions
6 the defense might have for you.

7 THE COURT: Cross-examination.

8 MR. DANIEL: May it please the Court, Your Honor.

9 CROSS-EXAMINATION

10 BY MR. DANIEL:

11 Q. Good afternoon. How are you?

12 A. I'm doing well. How are you, sir?

13 Q. Other than being here.

14 A. Well, it's a tough day. As I'm sure, Mr. Daniel,
15 for a lot of family it has been. So I am not going to say
16 it's pleasant being here.

17 Q. We certainly understand. It's not pleasant for
18 anybody. You referred to at the very outset the Satterfield
19 case. And that y'all -- that was the initial matter y'all
20 were trying to deal with?

21 A. That's right. That's the one that we -- the lawsuit
22 had not been filed. And our attorneys received a copy of the
23 lawsuit right before we had the -- it may have been on the
24 October 31 meeting, but it was within the time frame the 31st
25 through the 2nd, yes, sir.

1 Q. I didn't mean to interrupt you. And that one did
2 not involve Russell Laffitte? Did not involve Russell
3 Laffitte?

4 A. No, sir, it did not.

5 Q. I wanted to make sure that was clear. Thank you.
6 Now, you were with the law firm Robinson Gray Stepp &
7 Laffitte?

8 A. I am now, but I used to be at Nelson Mullins Riley &
9 Scarborough for 13 years. Yes, sir.

10 Q. And I've worked with y'all extensively, with your
11 firm in the past?

12 A. Yes, sir.

13 Q. Particularly, with Mr. Bobby Stepp and some others.
14 Now, you are a litigator. And one of your focuses -- one of
15 your business focuses as a litigator is on insurance
16 coverage?

17 A. I have done insurance coverage in the past, yes,
18 sir.

19 Q. And it's real important for a business or a bank to
20 have not just an insurance policy to cover them, but that
21 that policy be enough to cover any sort of lawsuit for the
22 Board, the individual Board members; is that right?

23 A. Yes, sir. But, unfortunately, while I was on the
24 Board, that policy had already been decided upon and I had no
25 vote in that policy.

1 Q. I'm saying, in general, it's important for any
2 business --

3 A. Oh, absolutely. I want directors and officers
4 liability coverage. If I'm going to give my time and serve,
5 I certainly want to be protected, yes, sir.

6 Q. Right. Okay. And so some of the members of the
7 Board, and including yourself, are concerned with personal
8 liability in case the insurance company denies coverage,
9 because that happens from time to time?

10 A. Well, you certainly have concerns about personal
11 liability. I've been on the Board 19 days. So, I mean, I
12 think I would probably be about as far out as somebody could
13 reach. But, certainly, we are concerned about our personal
14 exposure.

15 Q. And if you could show -- if you could somehow show
16 that it was intentional misconduct on the part of a bank
17 employee, such as Russell Laffitte, then that would be a
18 pretty good defense to any Board member that the Board
19 members ought to get coverage and it ought to be resolved?

20 A. I am not here as a lawyer. I am not going to answer
21 questions about coverage. I haven't done coverage in a long
22 time. And I don't feel comfortable answering your question.
23 I'm here as a fact witness. I had nothing to do with the
24 insurance policies procured on behalf of the bank.

25 Q. I'm sorry. Maybe I wasn't clear enough. I said if

1 it's proven that Russell Laffitte did something
2 intentionally, that would help resolve -- absolve the Board
3 of liability?

4 A. I am not here to answer those legal questions.

5 MR. HOLLIDAY: Your Honor --

6 THE COURT: I sustain the objection.

7 MR. DANIEL: Your Honor, she's relied on being a
8 lawyer with fiduciary responsibilities and duties all along.
9 I just asked her --

10 THE COURT: This is an insurance coverage question.
11 Surely, speculative. She said she doesn't know. I sustained
12 the objection.

13 BY MR. DANIEL:

14 Q. Okay. So you just joined the Board, I believe,
15 probably six weeks or so before all this broke?

16 A. 19 days, 19 days.

17 Q. Joined in July?

18 A. July 20th, 2021, yes, sir.

19 THE COURT REPORTER: You're talking on top of each
20 other. Can you please slow down.

21 BY MR. DANIEL:

22 Q. You joined in July?

23 A. That's correct.

24 Q. And then in September is when everyone finds out
25 that Alex Murdaugh is not the person that everybody thought

1 he was?

2 A. I am not casting judgment on anybody. That's not my
3 role here today, sir.

4 Q. Okay. Were you surprised when you found out that
5 Alex Murdaugh had evidently stolen a lot of money?

6 A. I was very surprised, yes, sir, and disturbed, yes,
7 sir.

8 Q. You had known Alex Murdaugh just in general, I am
9 not talking about as a good friend or anything, but you had
10 known him and his reputation for many years?

11 A. Well, I didn't have many cases with him. I had more
12 cases with Ronnie Crosby through the years. So that's really
13 who I knew better, and also Johnnie Parker, and also -- he
14 passed away and -- Paul Detrick, those were the ones. Alex's
15 probably 16 years younger than I am. So I am more
16 contemporaries with the more seasoned ones in the firm,
17 Johnnie Parker, Ronnie, and those are the ones I dealt with.

18 Q. But suffice it to say, you knew that those lawyers
19 in that firm, the ones you just named, along with Alex
20 Murdaugh, made significant sums of money?

21 A. Well, I don't know what they made. I know through
22 the years I've had clients pay significant resolutions to
23 them, yes, sir.

24 Q. But --

25 A. But I couldn't tell you to what extent --

1 Q. When this -- when all of this arose in September and
2 the ensuing months, did you ever go back and look at Alex
3 Murdaugh's income statements that are filed with the income
4 tax return -- excuse me, that are filed with --

5 MR. HOLLIDAY: Your Honor, objection. Relevance.
6 Beyond the scope.

7 THE COURT: It's cross-examination. Overruled.

8 THE WITNESS: No, sir. If I may explain that, if
9 you don't mind.

10 BY MR. DANIEL:

11 Q. Sure. Certainly.

12 A. When you have a person, particularly Charlie
13 Laffitte, and as I've said, Charlie is my first cousin, and
14 he's as honorable a person as you will find, I had confidence
15 that Charlie would know and tell us what we needed to know
16 and everybody else who worked as a Board official. As a
17 Board of Director, I am not to be in the weeds of the bank
18 every day, and you have to rely on those in the bank to be
19 transparent and to tell you the truth. And I relied on them.
20 So I didn't get in the weeds on that. So, no, sir, I did
21 not, nor do I feel that it was my responsibility as a
22 director to do that. I did not.

23 Q. I didn't mean to imply that. So I withdraw it.

24 MR. DANIEL: Would you please call up Exhibit No.
25 40, which is in evidence. It's the October 19th, 2021, Board

1 minutes. Now, I would like to -- will you please call up the
2 attendees at this.

3 BY MR. DANIEL:

4 Q. Okay. And this is the meeting, just so you will
5 know where I'm going with this, where the \$750,000 loan
6 that's been discussed on direct examination, that's where
7 this comes up at the -- this particular October 19th, 2021,
8 meeting.

9 A. I think it came up in September. It was in the
10 Board packet for our August meeting, I believe. Norris sent
11 the e-mail on August the 9th. The request was made to get
12 the information. I think we met on the 17th. And I think it
13 may have been August 17th when the 750 came up. I may be
14 wrong.

15 Q. Yes, ma'am. I think it comes up a number of times.

16 A. Okay.

17 Q. Please scroll down to the paragraph that says
18 Elizabeth Malinowski. Would you read that?

19 A. Yes, sir. "Liz Malinowski wanted it noted that
20 there were several loans that were approved that did not go
21 to the full Executive Committee. Russell Laffitte explained
22 that all loans were approved by at least three of the five
23 members."

24 Q. Okay. And then she requested a write-up. Now,
25 three of the five members was -- actually, that's Mr. Charlie

1 Laffitte, the chairman?

2 A. Yes, sir.

3 Q. And Ms. Gray Laffitte, the secretary?

4 A. Gray Laffitte Henderson, yes, sir.

5 Q. And Russell Laffitte, the CEO?

6 A. And Jan Malinowski.

7 Q. Yeah, I haven't finished.

8 A. Sorry.

9 Q. But the three that approved it in advance were three
10 of the four; the four voting members would be Mr. Jan
11 Malinowski?

12 A. Yes, sir, but they did not follow the bylaws.

13 Q. They did not follow the bylaws?

14 A. No, sir. We have -- I don't have the bylaws in
15 front of me, but, respectfully, I'm going to give you my best
16 recollection. Section 3.19, there are two ways that an
17 Executive Committee can meet and vote. One is if you have a
18 called meeting. A majority can comprise the quorum if on a
19 call meeting you have the votes. If you don't have a call
20 meeting, you have to get written consent of each voting
21 director on the Executive Committee. And you have to put
22 each written consent from each director who's on the
23 Executive Committee in the minute meetings to the Board the
24 next time. This never followed that route.

25 Q. Okay. And did you at the time note in writing an

1 objection to that not being followed at this time?

2 A. Liz did. Liz did in August.

3 Q. Pardon?

4 A. Liz Malinowski said in the August minutes that she's
5 concerned that this 750 did not follow bank protocol.

6 Q. But isn't it true that in the same bylaws you were
7 talking about, it's required that you put -- any sort of
8 action that you take, you are required to put in writing --

9 MR. HOLLIDAY: Your Honor, objection. Best evidence
10 and argumentative.

11 THE COURT: It's cross-examination.

12 MR. HOLLIDAY: It's a little bit of an issue with
13 them. They keep asking people to have memorized bylaws.

14 THE COURT: If Ms. Laffitte would like the bylaws,
15 you can put them in front of her. But, you know, here's the
16 difficulty, is the defendant has a right to cross-examine and
17 you have a right to do redirect. And I'm going to give him
18 some leeway here because it's cross-examination.

19 MR. DANIEL: I purposely hadn't brought up because
20 it's been brought up before the jury so many other times.

21 THE COURT: I understand. You should have some
22 leeway in cross-examination.

23 BY MR. DANIEL:

24 Q. Please call -- I got this exhibit up now, Your
25 Honor. I'm trying to think of which is the best way to

1 handle this. If you would like to consult the bylaws, we can
2 do that before or after we deal with this.

3 A. Okay. 3.19 I think is the section I was talking
4 about, but I will certainly let you do as you please.

5 Q. Okay. Okay. This is the procedures. If you will
6 just real quickly read.

7 MR. DANIEL: If you could highlight it, the portion.

8 BY MR. DANIEL:

9 Q. This is the correct one. It's 3.15. If you could
10 just read that for the benefit of the jury.

11 THE COURT: I believe she was referring to 3.19.

12 MR. DANIEL: We just took that down, Your Honor.

13 This is 3.15. That's what she told me --

14 THE COURT: I think that's what you were asking her
15 and she was saying she hadn't seen it. It seems to me if you
16 are going to question her about that and she asked you for
17 it, you ought to show her.

18 MR. DANIEL: I wasn't questioning her about 3.19,
19 Your Honor. I was questioning her about 3.15.

20 THE COURT: That's not my recollection, but you go
21 ahead. You know, Mr. Holliday can do it on redirect.

22 Do you have a question?

23 BY MR. DANIEL:

24 Q. Yes, sir. So are you familiar that the Board had
25 approved the \$750,000 loan?

1 A. No, sir, we never approved it.

2 Q. Okay. But three members of the Executive Committee
3 certainly did, and that's Mr. Charlie, the chairman, Ms. Gray
4 Laffitte, the secretary, and Mr. Russell Laffitte. And they
5 discussed it at the Board meeting. That's where Russell
6 Laffitte brings it up at the Board meeting and says that,
7 right?

8 A. Respectfully, sir, I disagree. They did not follow
9 3.19 of our bylaws.

10 Q. I understand that they did bring it up at the Board
11 meeting?

12 A. They did bring it up at the Board meeting. And at
13 that point in time, we didn't know that \$350,000 had been
14 sent by wire on July the 15th. They are bringing it up after
15 the fact. And then they put the other \$400,000 to cover the
16 overdraft of Alex Murdaugh's account. So, no, sir, we did
17 not approve it.

18 Q. Did you know that your compliance office actually
19 said approved --

20 MR. HOLLIDAY: Objection, Your Honor. He's
21 testifying.

22 THE COURT: You are testifying. Sustained.

23 MR. DANIEL: Judge, all she's got to say is she
24 didn't know it.

25 THE COURT: But you are testifying. It's the way

1 you asked the question, Mr. Daniel.

2 BY MR. DANIEL:

3 Q. But at this particular meeting, and I'm talking
4 about the October 19th, an Exhibit 40 meeting, is Russell
5 Laffitte tells y'all, three of the four voting members of the
6 Executive Committee had approved this \$750,000 loan in
7 advance?

8 A. Respectfully, sir, this had been brought up in
9 August. They did not follow protocol. That to me showed
10 right there we didn't follow protocol. We never sent a
11 certified letter to family members about a matter. If you
12 put it in the Board minutes, we trusted each other enough to
13 know that if it's in there, it is what it is. We didn't
14 require certified letters. We didn't operate that way
15 because we never -- we had a trust with each other until some
16 things were brought to light. So, no, sir, respectfully, we
17 never approved it.

18 Q. Okay. And, Ms. Laffitte, you testified on direct
19 examination that you would have expected that Russell
20 Laffitte, before he made that -- before he issued that Badger
21 check and to -- the law firm of PMPED, that he would have
22 discussed it with his father, Chairman Charlie Laffitte?

23 A. I don't know if he did or not. I don't know if he
24 discussed it or not. I just have to believe what I know
25 Charlie and his honor and integrity, he would have told us

1 everything, had he known it. I do not believe he would have
2 withheld anything from us if he knew it, just based on my
3 knowing him all these years.

4 Q. Okay. So if Mr. Charlie Laffitte was consulted in
5 advance and agreed to the \$680,000 payment, along with Ms.
6 Gray Laffitte Henderson, that would be three of the four
7 voting members of the Executive Committee, wouldn't it?

8 A. No, sir, because they would have made that decision
9 without a meeting. And under 3.09, you can ratify something
10 without a meeting, but you have to have a written consent of
11 every director, voting member director on the Executive
12 Committee, and then you have to put that in the minutes.
13 None of that is in any of the minutes. So, no, sir,
14 respectfully, it was not approved nor recognized by the Board
15 to be approved.

16 MR. DANIEL: Please call up Exhibit No. 80, please.
17 And it's Russell Laffitte -- I'm sorry. It's Russell
18 Laffitte's e-mail to Trenholm and Mr. Laffitte gets a copy of
19 it.

20 MS. LIMEHOUSE: We are happy to bring it up, if you
21 would like us to.

22 BY MR. DANIEL:

23 Q. Okay. This is the one that came up on direct
24 examination?

25 A. Yes, sir.

1 Q. Yeah. And the e-mail says, I believe you testified
2 to it, but I think Mr. -- Government's lawyer skipped over
3 that it was a verbal contract. Doesn't it say the verbal
4 contract between PSB and PMPED was done with approval of the
5 Chairman of the Board?

6 A. Respectfully, they did not have the authority to do
7 that under our bylaws, in my opinion.

8 Q. I understand. But you can take that down now.

9 Now, this \$680,000 payment in partial -- or in
10 settlement to the Badger, that check is delivered, it
11 actually was discussed first -- you are on the Litigation
12 Committee, I believe you testified?

13 A. Yes, sir.

14 Q. And it was discussed. Y'all had a meeting maybe
15 October the 27th or so, right before the --

16 A. I don't remember. We've had so many meetings. I
17 remember the 29th. I remember the 1st, 2nd --

18 Q. Then the October 31st Halloween night meeting, you
19 remember that one?

20 A. Yes, sir.

21 Q. And at that meeting, I believe, you correct me if
22 I'm wrong, but I'm asking the question, Mr. Trenholm Walker
23 says or y'all discuss asking Russell to call up Ronnie
24 Crosby, who the check was delivered to?

25 MR. HOLLIDAY: Your Honor, objection. Hearsay.

1 MR. DANIEL: Judge, it's --

2 MR. HOLLIDAY: It's still hearsay.

3 MR. DANIEL: It's not being offered for the proof of
4 the matter.

5 THE COURT: Overruled.

6 BY MR. DANIEL:

7 Q. To put a pause on the check, the \$680,000 check, in
8 other words, don't give to the client; do you recall that on
9 the October 31st meeting?

10 A. I do recall that, but little did we know that that
11 check had been deposited at 4:11 on Friday, October 29th,
12 unbeknownst to any of us on the 31st or thereafter. And that
13 is a critical fact that I cannot overlook, sir.

14 Q. You certainly knew it then at the Litigation
15 Committee meeting?

16 A. No. We didn't know that it had been deposited. No,
17 sir. No, sir. That all came to light later.

18 Q. Okay. And you had a meeting on, I guess it's
19 November the 3rd. And this was discussed with your lawyer,
20 Trenholm Walker. And I believe you had five lawyers, or at
21 least four other lawyers from your law firm present at that
22 meeting?

23 A. We had all of our lawyers present, I believe, yes,
24 sir.

25 MR. DANIEL: And please bring up Exhibit No. 60.

1 Call it up. It's the transcript.

2 BY MR. DANIEL:

3 Q. And just when you found out -- this meeting is when
4 you found out that Russell Laffitte -- please go to page 13.
5 This is when you found out that Russell had, in fact, called
6 Ronnie Crosby and put a pause on it. May have already been
7 in the account, but there was no settlement yet with Mr.
8 Badger?

9 A. We didn't know it was in the account.

10 Q. Okay. But he did call to put a pause on it, whether
11 it had gone in the account or not gone in the account --

12 A. I don't know if he did. I wasn't privy to that, so
13 I don't know what he did. We were working through our
14 lawyers. So all I know is what we were told on November 3rd.
15 He had asked that a pause be put on it, but I don't even
16 think he knew at that point in time the check had already
17 been deposited.

18 Q. Okay. Fair enough. Okay. Now, at that
19 transcript -- now, isn't it a fact that at that meeting, the
20 \$680,000 payment was discussed at length in detail?

21 A. We did discuss the \$680,000 check, yes, sir.

22 Q. Okay. And who all was present at that meeting; do
23 you remember? It was most of the Board present?

24 A. I think probably so, and most were by Zoom because
25 it was Sunday night at seven o'clock.

1 Q. And that would be Mr. Lucius Laffitte?

2 A. It should have been. I think probably Jim Gibson,
3 Jan Malinowski, Liz Malinowski, Norris Laffitte, Lucius
4 Laffitte, Charlie, Gray, Russell, and Charles, I would think.

5 Q. So Mr. Norris and Mr. Lucius, those two were
6 included in your list just now, correct?

7 A. I think they were on the October 31, but I am not
8 looking at it, so I am not going to venture a guess without
9 certainty as to who was there. The record would show it.

10 Q. Okay. So at that meeting, at that particular
11 meeting, the bank -- the consensus was that the bank did not
12 want Ronnie Crosby at the Murdaugh firm to throw the bank
13 under the bus?

14 A. I don't think it was put that way. I think our
15 lawyers were talking to us about the \$680,000 is out of the
16 door. What are we, as fiduciaries to this bank and to
17 shareholders, what is our responsibility. And they basically
18 were saying, that money is out of the door, you are having to
19 deal with a crisis, damage control situation, because this
20 money went out the door unbeknownst to you. We were not
21 discussing that we were consenting to it or ratifying. No,
22 sir, never.

23 MR. DANIEL: Will you please call out paragraph 2.

24 BY MR. DANIEL:

25 Q. And please read paragraph 2. This is the verbatim

1 transcript.

2 A. Yes, sir. It said, "And I had a good chance -- I
3 had a good chance to talk to Ronnie yesterday. Some of my
4 concerns were how this was going to be implemented. Ronnie
5 started off thinking that I was contesting that the bank had
6 liability for the amount. I assured him we were not here to
7 retrieve -- to retread the deal under the circumstances.
8 What we wanted to know was what did he have in mind. Was he
9 going to go to Mr. Badger and make some contention that the
10 bank -- or contend that the bank did something wrong or
11 somehow bring up PSB."

12 Q. Please bring up the next paragraph. Continue.

13 A. "Ronnie, whom I know very well, not as well as other
14 people, but I know him extremely well, I've worked with him,
15 assured me that he would not even mention the bank in any
16 conversation he had with Mr. Badger. He said what he was
17 going to do was going to treat this just like other clients
18 who had lost money -- lost less money." I'm sorry.

19 Q. That's okay. Top of page 14.

20 A. "What he would do is he would call them and say
21 we've been looking at this file that Alex handled for you and
22 would like to talk with you about it, set that appointment
23 and meet with him and explain that there had been discovered
24 a shortfall and that the firm wanted to reimbursement him."

25 Q. Next paragraph, please.

1 A. "Ronnie said that all the people that they have done
2 this with have been extremely appreciative and nobody has
3 suggested they are going to bring a claim against the firm.
4 I think that if I had anybody to pick to make this pitch to
5 this client, it would be Ronnie Crosby. He is a genuine,
6 straight-up, stand-up guy, and I think -- I don't think he's
7 going to try to throw the bank under the bus at all."

8 Q. So he did use that term, "throw the bank under the
9 bus." next paragraph please.

10 A. And, again, I wasn't misstating anything, but now
11 that it's in the transcript, I will say it's there. I didn't
12 know if you would trying to impeach me on that.

13 Q. No, ma'am.

14 A. "You may be thinking, well, why do we want to do
15 this if he is not getting release of anybody from Mr. Badger.
16 The law firm can't get a release from Mr. Badger because they
17 would be -- he does not have separate representation. And
18 they can't release any claim about their own wrongful
19 conduct. They can't have their client release them under --"

20 Q. And before you --

21 A. "-- these circumstances."

22 Q. Before you react to this paragraph, y'all don't
23 particularly, at the time, want a release from Mr. Badger,
24 did you? I'm talking about Mr. Badger. The bank, because
25 the bank is paying half the settlement, but y'all don't want

1 Mr. Badger to know that, do you?

2 THE COURT: Whoa. Whoa. Ask the question. Slow
3 down. Ask the question.

4 BY MR. DANIEL:

5 Q. Y'all, the bank does not want Mr. Badger to know the
6 bank is paying part of the settlement, and that's --

7 A. Our concern was damage control, what is the best for
8 the bank. I can't say -- I mean, these are our lawyers
9 speaking, you can interpret it, they can interpret it. Our
10 understanding was, what can we do that's in the best interest
11 of the bank. And I recall that Mr. Walker suggested to us
12 that night, what I would recommend is that let me go to
13 Ronnie Crosby and say, hey, Ronnie, what if -- would you
14 consider signing a release with indemnification for the bank.
15 And that is what I recall. Our directive was to Mr. Walker
16 that night, was the 680 is out the door, what do we do to
17 protect the bank. And our directive to him was, go to Mr.
18 Crosby, see if he would sign a release with an
19 indemnification clause. And that's how I recall that evening
20 went.

21 Q. Okay. Please pull up the next paragraph. Please
22 read that.

23 A. Certainly. "As far as we are concerned, we don't
24 want any suggestion that we are paying any money. And I
25 think if he brought up a release, it might incite things

1 rather than calm things down."

2 Q. Did you correct the lawyer on that? I mean, you are
3 at a Board meeting at a discussion. Did you correct the
4 lawyer and say anything differently?

5 A. I think what I'm saying --

6 Q. No, ma'am. I'm asking the question. Did you
7 correct him? Did you say anything that you disagreed with as
8 a Board members?

9 A. This is what I understood it to be. I am a lawyer,
10 but I was not acting as a lawyer on the Board. Let me finish
11 my question. If I may answer, please, if you don't mind.

12 Q. Answer --

13 A. I want you to know my context and what I was
14 thinking that night. We were not talking about going to get
15 a release from Badger, because at this point in time, the law
16 firm, the money had gone to the law firm. And what Mr.
17 Walker was discussing with us is the law firm is who you need
18 to get something from, if you can get it. That's what we
19 were talking about, sir. That's how I recall the
20 conversation, respectfully.

21 Q. But you are at a Board meeting and you've got the
22 lawyer who is talking to you about this, and he's talking
23 strategy, and you never -- no one at the Board meeting ever
24 says, oh, we don't want that strategy; did they?

25 A. We are relying on some of the best lawyers in the

1 state of South Carolina. And we had every right to rely on
2 their advice. We were paying for it. You don't understand.
3 You weren't in that situation. We are faced where a family
4 member sent \$680,000 out of the door. We have a
5 responsibility to many others who have shares in this bank.
6 We have a responsibility to the reputation of this bank. Our
7 concern was protecting the bank. We were not on anything
8 personally, sir. And we made the decision asking him to go
9 to Mr. Crosby to say, would the firm give the bank a release
10 with indemnification agreement. And that's never been given.
11 So we got nothing for that 680 that's out the door.

12 Q. If you would read this paragraph.

13 A. "What we do want is to make sure that there is a
14 release from PMPED to the bank for anything at all having to
15 do with this, so that if Mr. Badger, say, in 10 ends up
16 suing, even though he's been fully satisfied and Ronnie has a
17 receipt that he received that payment, putting aside loss of
18 use of funds, but if he brought that claim, then the law firm
19 could not sue the bank, couldn't bring the bank into the
20 case. Now if he brought the bank in the case, we just have
21 to deal with that."

22 Q. And read the next paragraph.

23 A. "But our view, the lawyers talked at length about
24 this with the Litigation Committee."

25 Q. That's your committee?

1 A. Yes, sir.

2 Q. Okay.

3 A. It's a committee on which I serve. It's not my
4 committee.

5 Q. But you serve on that committee.

6 A. "And everybody believes that we are better off
7 having Ronnie go and satisfy Mr. Badger by handing him the
8 check and using his diplomacy so that if, by chance, anything
9 about Badger gets out and Bland --"

10 Q. Next paragraph, please.

11 A. Yes, sir. "-- and Richter get ahold of it -- I'm
12 sorry. "-- Richter get ahold of it, then their case will be
13 much less, because unlike Satterfield, their alleged victim
14 will have been fully compensated by the law firm and that we
15 will be side-by-side with the law firm in that."

16 Q. Okay. And Bland and Richter are some plaintiffs
17 lawyers that represented other plaintiffs. And they are sort
18 of trolling for clients, is your understanding of it?

19 A. No, sir. They had the lawsuit that we were meeting
20 about on October 31st. That's the Satterfield case.

21 Q. But in this one, your lawyers concerned with them
22 finding another client, Mr. Badger?

23 A. Well, I don't like the word "trolling," sir, so I am
24 not going to say trolling. You said they are trolling for
25 something. I don't refer to anybody trolling anything. We

1 knew that there could be other litigation.

2 Q. Okay. Call up the next paragraph, please. If you
3 can read this paragraph.

4 A. "So that is our thinking about Badger. We are going
5 to have to report Badger because we have subpoenas that have
6 asked for all transactions dealing with Alex Murdaugh. And
7 from what -- everything we've seen, this was his mechanism
8 for taking money from a client and sending it through the
9 bank to pay other debts. And this is something that the
10 criminal authorities are going to be very interested in, the
11 Office of Disciplinary Counsel, SLED, all of that."

12 Q. Next paragraph, please. You can skip -- yeah.
13 Okay.

14 A. "So we want to get ourselves to the best position
15 that we can be in if we have a -- if we have to weather a
16 storm."

17 MR. DANIEL: Okay. And please skip over the
18 redacted portion. Go to the next page. Oh, yeah. Bottom.

19 BY MR. DANIEL:

20 Q. Okay. Please read.

21 A. Yes, sir. "Any questions about where we're headed
22 in Badger? I tried to get Ronnie today to talk about getting
23 a release of the firm. Ideally, we could also get an
24 indemnification where the firm would say in return for us
25 paying 680, they would indemnify us. I don't hold out much

1 hope of that, but I think from Russell's conversations with
2 Ronnie, before I spoke to him, he would be willing to give us
3 a release."

4 Q. Okay. And the next paragraph.

5 A. "At least, Russell, wasn't that your impression?"
6 And Russell answered, "I think."

7 Q. Next page please.

8 A. "I think he would probably give us a release."

9 Q. Okay. And I guess you can bring up the rest of it.
10 If you would read the rest of it. This is the very last, I
11 believe.

12 A. No problem. "Yeah. We want to make sure before we
13 agree fully that we are getting a release.

14 "Mr. Russell Laffitte: We are paying it.

15 "Mr. Walker: We don't want to pay this and have
16 them come back, one, for more money later on. We want this
17 to be a close vis-à-vis to the firm.

18 "Jim Gibson: Well, you certainly have done a good
19 job of bringing this thing hopefully to a conclusion early on
20 before it gets messy, but thanks.

21 "Mr. Walker: Well, I hope so. This thing could
22 easily cartwheel out of control. We've seen that happen with
23 other aspects of all of these incidents unless -- we've got
24 to do everything we can. Time is a premium. Thank you. Any
25 questions about Badger or further discussion from me or the

1 Litigation Committee?"

2 Q. Okay. And there was some question, you disagreed
3 with me about the full Board approving the \$750,000 loan?

4 A. Well, when it came to the Board, that 750 was out
5 the door. I mean, if you are talking about that if you are
6 going to say -- I mean, Gray, Charlie and Russell were on the
7 Board at that time, but my position was they didn't follow
8 the 3.19. So --

9 Q. Okay. Now, you may not -- well, I'm going to ask
10 you this. Were you on the Board for the minutes of the --
11 when it was discussed on September 21st -- September 2021?

12 A. I was on the Board in September '21, yes, sir. I
13 think Russell was at a convention, though. I don't think he
14 was at the Board meeting.

15 Q. So isn't it a fact that the Board always approved a
16 list at the Board meeting of any loan over \$25,000?

17 A. Sir, from the time I was on the Board, these loans
18 predate me way back. So I was not privy to any of that. The
19 first time I saw this 750 loan is when it came out in the
20 onBoard materials that we received in August. And I
21 explained that they gave a list of Alex Murdaugh's loans and
22 indebtedness. It was off about a million. Norris caught it.
23 It was corrected. And that's the first time I knew anything.
24 But, again, I've been on the Board less than a month.

25 Q. But you've been on the Board for a while now?

1 A. I have.

2 Q. And isn't it a fact that at Board meetings, any loan
3 over \$25,000 that was issued by the bank is listed --
4 contained on a list?

5 A. Yes, sir, because we insisted on that. In fact,
6 we've insisted on several things since this to ensure that
7 there's full transparency and we are all educated on what we
8 need to know that happens during the time we are not in the
9 Board meetings.

10 Q. And so you are telling me that the full Board, as
11 far as you know, did not approve the \$750,000 loan?

12 A. Sir, we didn't know about it until after the fact.
13 And if you look at the materials, he didn't book the loan
14 until after our Board meeting in August. The first money he
15 tells us he has issued on the first document that came out,
16 \$750,000 to Alex Murdaugh. The collateral was one share of
17 the Green Swamp Hunt Club. And in the first one that came
18 out that had to be corrected, it listed the beach house.

19 When it came back to us, it was three five, because
20 of a clerical error that Norris had found. And at that point
21 in time, they realized they had no security on the house
22 because it was in Maggie and Alex's name. So the bank could
23 not get, yeah, a lien on it, because it was in probate court.
24 So, no, sir, the first time that -- again, I joined the Board
25 July 20th. The first time I knew about the 750 loan came in

1 August. And then as we went on in the investigation,
2 unbeknownst to us, we found out on July 15th that \$350,000
3 wire had been sent to a law firm in Bamberg, at the Board
4 meeting in August. It was not until after then that this
5 loan was even booked on the system. And before then, when
6 August -- when Norris sent the August 9th e-mail, \$400,000
7 that we had been told on a \$750,000 beach house renovation
8 got put in Alex Murdaugh's account, because he was almost
9 \$350,000 in arrears.

10 Sir, we never approved that loan. We were not told
11 what it was for. We were not shown the transparency that we
12 deserved and expected from this bank. And it is problematic.
13 And we had found it to be problematic. And we never did
14 approve it.

15 Q. And let me ask you this. Now, I believe the Board,
16 you correct me if I am wrong, you've got only Laffitte
17 members that are in the firm that work at the firm was Mr.
18 Russell Laffitte, who is no longer with the firm, he was let
19 go, Mr. Charlie Laffitte, and Ms. Gray Laffitte, and they go
20 to work every day, and they are actually at the bank in
21 Hampton, and Mr. Jan Malinowski in Beaufort, Ladies Island.

22 A. Absolutely. And they have worked hard. But you
23 don't -- what we have to -- and I understand and appreciate,
24 is that as Board of Directors, we have the fiduciary
25 responsibilities. And we relied on them, that they would be

1 transparent and tell us everything. And, sadly, we found out
2 that we were not shared everything. It's tough to be in a
3 fiduciary responsibility with information that's withheld.
4 And, sadly, it was withheld.

5 Q. The reason I asked you about different family
6 members, some on this side work at the bank, and the others
7 are sort of your side, if you will, don't work at the bank.
8 There's some members of the Board that want to sell the bank?

9 MR. HOLLIDAY: Your Honor. Objection.

10 THE COURT: I still haven't figured out the
11 relevance of this. I'm going to sustain it. Y'all haven't
12 connected --

13 MR. DANIEL: Goes to motive to testify. It goes to
14 the very motive.

15 THE WITNESS: Your Honor, I'm happy to answer that
16 question.

17 THE COURT: Go right ahead.

18 THE WITNESS: Before I joined the Board, Charlie
19 called me up and said, before I vote for you, I need to know
20 what your position is on selling the bank. And I said,
21 Charlie, I don't know what my position is, because I haven't
22 even gotten into the bank to figure out what's going on. If
23 you asked me today what I was going to do with my law firm, I
24 couldn't tell you. But I told him that day, I can't tell you
25 what I'm going to do because we don't know what the future

1 holds. And you can put him on the stand and you can ask him
2 about that conversation. But so help me God, that is what I
3 told him. And that is my answer today. And it was the
4 answer I gave him before I was elected to the Board.

5 THE COURT: Are you through, Mr. Daniel?

6 MR. DANIEL: No further questions.

7 THE COURT: Mr. Holliday, redirect.

8 REDIRECT EXAMINATION

9 BY MR. HOLLIDAY:

10 Q. We are pulling up a document.

11 A. Okay.

12 Q. This is one I didn't show you before. But I want to
13 put the November 3rd meeting in a little bit of context,
14 since you were asked extensively. You actually walked
15 through the transcript of the November 3rd meeting.

16 I'm showing you a sworn statement of Russell
17 Laffitte, page 104 of Government's Exhibit 200B, down at line
18 17, "You know they didn't want to pay it."

19 Well, let me read you the question. "Was there
20 another consideration too, like, with cost benefit,
21 litigation in Hampton County turning into an adverse result
22 that was greater than \$1.3 million?"

23 And Russell says, "You know, they didn't want to pay
24 it. When I took it to the Board, the Board went absolutely
25 ballistic. They wanted to claw it back. And part of the

1 reason I got fired, I put my foot down. I said, no, I said,
2 three of the four members of the executive --"

3 MR. DANIEL: Your Honor, I want clarification. What
4 is this of?

5 THE COURT: He said a sworn statement the defendant
6 previously made.

7 MR. HOLLIDAY: Exhibit 200B.

8 MR. DANIEL: That certainly didn't come up on
9 cross-examination.

10 THE COURT: This is the November 3 meeting he's
11 describing.

12 MR. AUSTIN: Your Honor --

13 THE COURT: One of you object. We don't have Jack
14 in the Box.

15 MR. DANIEL: Whoa. Whoa. This is about the October
16 31st meeting.

17 THE COURT: You asked about both of them. It
18 doesn't really matter. You asked about both of them, those
19 meetings. It's redirect. He has a right to address what you
20 raised. Overruled.

21 MR. DANIEL: No, Your Honor.

22 THE COURT: Overruled, Mr. Daniel.

23 MR. DANIEL: I just want clarification with the
24 dates, that's all.

25 THE COURT: Go ahead, Mr. Holliday.

1 MR. HOLLIDAY: Thank you, Your Honor.

2 BY MR. HOLLIDAY:

3 Q. "You know, they didn't want to pay it. When I took
4 it to the Board, the Board went absolutely ballistic. They
5 wanted to claw it back. And I -- part of the reason I got
6 fired, I put my foot down. I said, no, I said three of the
7 four members of the Executive Committee discussed this in
8 department, which is my sister, Gray Henderson, myself, and
9 Charlie Laffitte, who was also the Board chairman."

10 That's, supposedly, the three agreeing that you said
11 took place outside of the bylaws of the bank; is that right?

12 A. If you have a meeting that's not called and you
13 don't have written consent of all, that is not a proper
14 meeting under the bylaws under 3.9.

15 Q. And continuing with line 25, "We have the authority
16 by our bylaws to settle any lawsuits, whatever, or potential.
17 We thought it was in the best interest, so we did it. And
18 they wanted us to claw it back. And I told them absolutely
19 not. I gave them my word, we are paying it, and by God, we
20 were paying it."

21 Now, Government's Exhibit 223, and I want to go to
22 page 13, lines 9 through 13, please.

23 "Ronnie started off thinking that I was contesting
24 that the bank had liability for the amount. I assured him we
25 were not here to retread the deal under the circumstances."

1 So in the context of the ODC statement, the Trenholm
2 Walker exchange that I gave you before, and the words of the
3 transcript that they just cited at length, the money is gone,
4 isn't it?

5 A. The money is gone.

6 Q. There's no retreading, retrading, or anything about
7 the money; is that correct?

8 A. The money is gone.

9 Q. Now, as far as Russell's participation in the
10 meeting, page 18, please, line 25, that just starts, "I
11 think," and then the next page, please. "I think he'd
12 probably give us a release." That's the one time that he
13 speaks. Next on down, "Yeah, we want to make sure before we
14 agree fully that we are getting release." And then Russell
15 Laffitte reiterates, "We're paying it," right?

16 A. He had already sent the check. And the check was
17 deposited on the night or the afternoon of October -- excuse
18 me, the 29th, and we knew nothing about it.

19 Q. Okay. And then I want to pull up page 20, lines 23
20 to 25. Well, I think for context, maybe that question right
21 above it. We could just leave it. I think the jury can see
22 this. "And I asked Ronnie, I think --"

23 MR. HOLLIDAY: You got me, Tracy.

24 Q. "-- And I asked Ronnie if -- I think, Russell, you
25 were personal representative. And I asked Ronnie, I said,

1 well, I don't. I don't think Russell ever knew that or
2 signed anything."

3 And he said that they had no disbursement statement
4 that had been signed by you. The only person signing it was
5 Mr. Badger. And Russell volunteers, I was a personal
6 representative for Donna Badger, not Arthur.

7 Next page, please, just to be sure. Okay.
8 Trenholm, okay, I got it.

9 Mr. Daniel went through the transcript at length
10 with you. I am not going to go all the way back through it,
11 but that's what I saw Russell said. Did Russell in that
12 meeting ever, according to what we've just seen, talk about
13 the 12 checks that had been cut and where they had gone.

14 MR. DANIEL: Your Honor, I object. It's leading
15 everything on.

16 THE COURT: No, it's redirect. Overruled.

17 THE WITNESS: We didn't know the origin of the 12
18 checks until some time later.

19 BY MR. HOLLIDAY:

20 Q. And it's certainly not being volunteered in the
21 November 3rd meeting by Russell?

22 A. It was not in this transcript.

23 Q. Or any other substantive information that would have
24 allowed the Board to make any decision about --

25 THE COURT: Now, you are leading. I sustain the

1 objection not yet made.

2 BY MR. HOLLIDAY:

3 Q. Did you receive any information about the substance
4 of the 680 transaction that would have allowed the Board to
5 decide anything other than getting a release?

6 A. No. The money was out the door. The money was in
7 the bank account of PMPED. The best we could hope for is to
8 get a release to protect the bank with some indemnification
9 language. And, unfortunately, we were not even able to get
10 that.

11 Q. Last one, 10I and 10E side-by-side. I had not
12 addressed the \$750,000 loan, but since it came up on cross,
13 you handled it from memory very well. On the left-hand side,
14 if you would just tell the jury what we are looking at, the
15 context of the \$750,000 loan?

16 A. We are looking at a domestic wire request dated July
17 15th, 2021, receiving bank SouthState for 3 -- I don't see
18 the amount, \$350,000 under the payment information.

19 Q. And then down under authorization where it says
20 request for --

21 A. It has Russell's name and I don't recognize the
22 other employee's signature.

23 Q. Then just to finish out the 750 on the right-hand
24 side --

25 A. Certainly. I indicated that when Norris sent the

1 e-mail on August the 9th is when things began to surface.
2 And if you look at this document, it's dated August 9th,
3 2021. And what we thought would be \$750,000 beach loan
4 renovation, 400,000 of the 750 was put into Alex Murdaugh's
5 banking account, because if I recall, he was approximately
6 353,000 in the hole. So what we thought was a beach house
7 renovation was not. You have seen here 350 went out on the
8 door on 7/15. My first Board meeting was July 20th, 2021.
9 No mention of this. After the August 9th Board meeting,
10 \$400,000 is put into the bank account. So, no, sir, we did
11 not approve \$750,000, because we were not given accurate
12 information.

13 MR. HOLLIDAY: Ms. Laffitte, thank you. It's late.
14 I have no more questions.

15 THE COURT: Thank you. All right. Is it okay to
16 release Ms. Laffitte? Any objection by the defense?

17 MR. DANIEL: Yes, Your Honor.

18 MR. HOLLIDAY: That's fine.

19 THE WITNESS: I'm free to go back to Columbia?
20 Thank you. Thank you, sir.

21 THE COURT: Ladies and gentlemen, I think we've had
22 a full enough day. What do you think? Let's be back here
23 nine o'clock tomorrow morning. We will start up.

24 (Jury leaves open court at 5:51 p.m.)

25 THE COURT: I think there was a matter y'all wanted

1 to take up at sidebar.

2 (Whereupon, Mr. Peavy joins the conversation.)

3 MS. LIMEHOUSE: Mr. Peavy represents Ms. Drawdy.

4 THE COURT: Tell me, what's the woman's name?

5 MR. PEAVY: Nancy Drawdy.

6 THE COURT: What is Ms. Drawdy -- I'm told, though,
7 she hasn't been sequestered. She's been following. Tell me
8 about what you know about that.

9 MR. PEAVY: So, after hearing about this probably
10 earlier at lunch and that the defense's intention to call
11 her, I called her to ask her very specific questions
12 regarding what information she's reviewed. Your Honor, she
13 has been keeping up with FITSNews. She has been reading
14 FITSNews, the State Paper, the Post and Courier. All of
15 these are online. She hasn't purchased the actual newspaper.
16 And then has reviewed the first of the YouTube videos.

17 THE COURT: You know, first of all, we've settled on
18 the issue that if she's going to be here, she has to be here
19 personally.

20 MR. DANIEL: Yes, Your Honor.

21 THE COURT: So let me hear from you, Ms. Limehouse,
22 why you think I should not allow this testimony.

23 MS. LIMEHOUSE: We have no intention or desire to
24 limit the defendant's right to put up exculpatory evidence,
25 but there's a reason why the sequester order is in place.

1 And so there's no real purpose, for one, if this witness who
2 has admittedly viewed basically everything, including the
3 defendant's own statements about the conduct he's charged
4 with, is able to get up and testify.

5 MR. AUSTIN: She's not going to testify what she saw
6 in the video.

7 MS. LIMEHOUSE: But that's not what the
8 sequestration order is in effect to prevent.

9 THE COURT: Let me tell you something. There are a
10 lot of concerns I have. Number one, if she's such a critical
11 witness, why wasn't -- you know, why wasn't she sequestered?
12 Let me finish. Let me finish. Just let me finish. I have
13 concern about the sequestration order being violated. But
14 I've got to weigh that against a defendant on trial for his
15 liberty. And the balance tips towards the defendant here,
16 just trying to give him a fair trial. And I tell defendants
17 this many times in civil cases, and I tell you now as a
18 prosecutor, one day you may thank me for not ruling with you.
19 So I think the answer is, I'm going to allow her to testify.
20 Not happy about it. It's not good circumstance. I want you
21 to direct her not to listen and read anything else. She is
22 sequestered. Okay? But she will testify in person and she
23 will be subject to cross-examination so my jury can observe
24 her credibility. Okay?

25 MS. LIMEHOUSE: Understood.

1 THE COURT: Okay. Very good.

2 MR. PEAVY: Your Honor, she is actually up near the
3 Kentucky border dealing with a death of a family.

4 THE COURT: I understand that. We know that. But
5 I've said these are -- the rules are that you testify in
6 court. So that's where it's going to be.

7 MR. PEAVY: Okay.

8 (Whereupon, the proceedings are adjourned.)

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CERTIFICATE OF REPORTER

I, Karen V. Andersen, Registered Merit Reporter,
Certified Realtime Reporter for the State of South Carolina
at Large, do hereby certify that the foregoing transcript is
a true, accurate and complete Transcript of Record of the
proceedings.

I further certify that I am neither related to nor
counsel for any party to the cause pending or interested in
the events thereof.


Karen V. Andersen
Registered Merit Reporter
Certified Realtime Reporter